



2024 Second Quarter Earnings Webcast

July 31, 2024



NorthWestern Energy

Vision

Enriching lives through a **safe and sustainable** energy future.

Mission

Working together to deliver **safe, reliable and affordable** energy solutions.

Values

Ssafety
Excellence
Respect
Value
Integrity
Community
Environment

Forward Looking Statements

During the course of this presentation, there will be forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.”

The information in this presentation is based upon our current expectations as of the date of this document unless otherwise noted. Our actual future business and financial performance may differ materially and adversely from our expectations expressed in any forward-looking statements. We undertake no obligation to revise or publicly update our forward-looking statements or this presentation for any reason. Although our expectations and beliefs are based on reasonable assumptions, actual results may differ materially. The factors that may affect our results are listed in certain of our press releases and disclosed in the Company’s 10-K and 10-Q along with other public filings with the SEC.

Recent Highlights

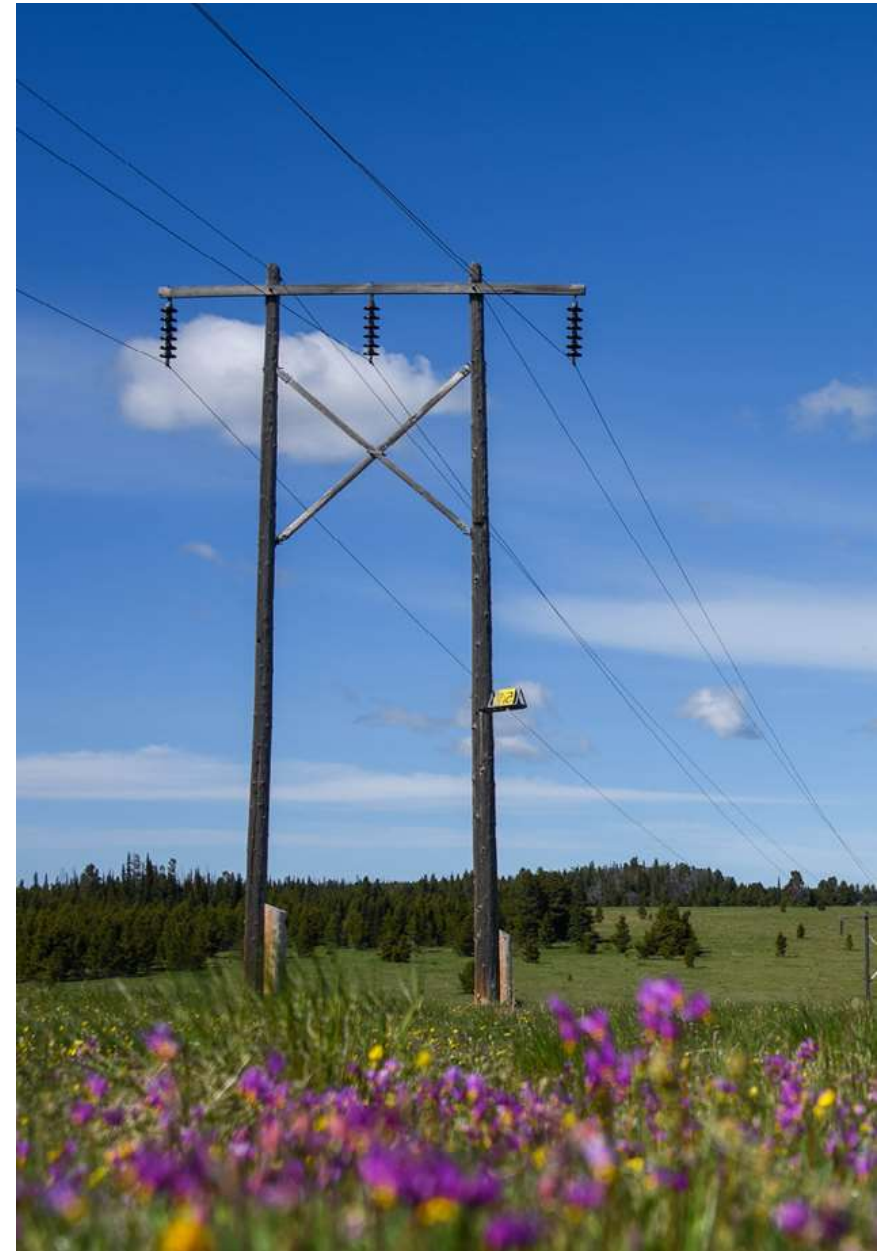
- Reported GAAP diluted EPS of \$0.52
 - Non-GAAP diluted EPS of \$0.53¹
- Affirming 2024 diluted EPS guidance of \$3.42 - \$3.62
- Affirming long-term (5 year) rate base and earnings per share growth rates targets of 4% - 6%²
- Dividend Declared: \$0.65 per share payable September 30, 2024 to shareholders of record as of September 13, 2024

Rate Reviews Filed:

- Montana electric and natural gas
- South Dakota natural gas
- Nebraska natural gas

Announcement of Two Strategic Transactions:

- Entered agreement to acquire Energy West Montana's natural gas distribution system (serving ~33,000 customers) for \$39 million
- Entered agreement to acquire Puget Sound's 370MW ownership in Colstrip Units 3 & 4 at no cost



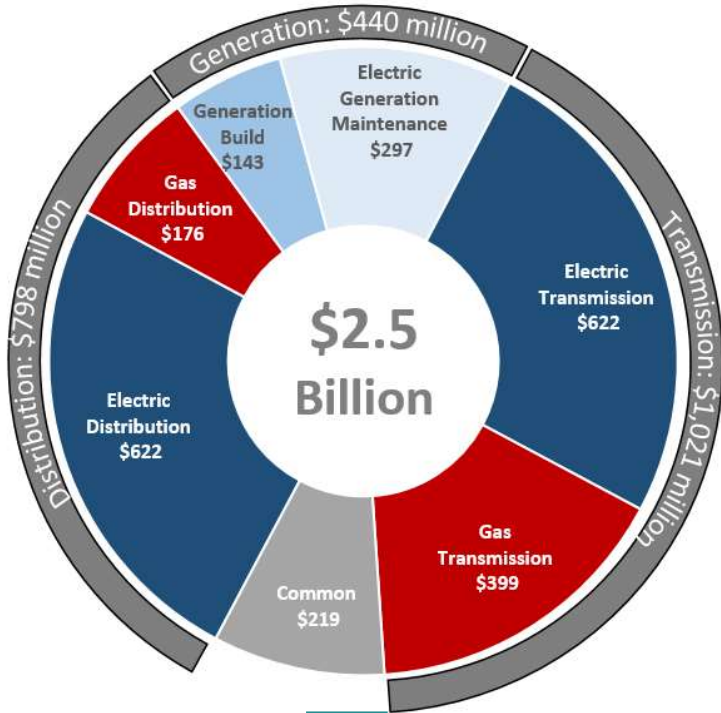
The NorthWestern Value Proposition

~5% Dividend Yield

**Base Capital Plan:
4%-6% EPS Growth**

**Incremental Opportunities:
6% + EPS Growth**

2024-2028 Capital Investment
(\$ Millions)



9%-11% Total Growth

- ✓ **FERC Transmission**
- ✓ **Incremental generating capacity**
(subject to successful resource procurement bids)
- ✓ **Qualifying Facility and / or Power Purchase Agreement buyouts**
- ✓ **Electrification supporting economic development**

11%+ Total Growth

Nearly \$2.5 billion of highly executable and low-risk capital investment forecasted over the next five years.

This investment is expected to drive annualized earnings and rate base growth of approximately 4% - 6%.

See slide titled "Strong Growth Outlook" for additional information.



Q2 Financial Results

Second Quarter Financial Results

(in millions except per share amounts)

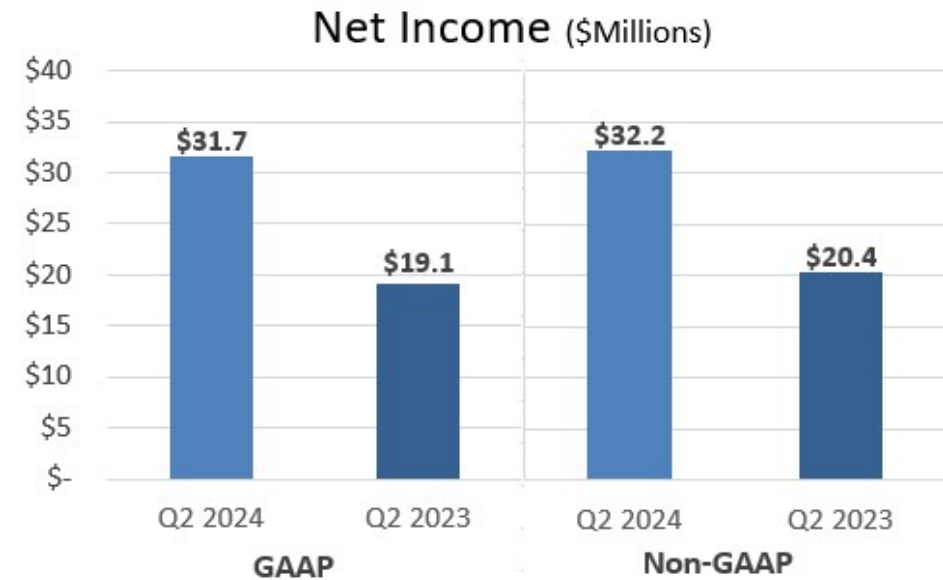
	Three Months Ended June 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$ 319.9	\$ 290.5	\$ 29.4	10.1%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	76.5	67.6	8.9	13.2%
Utility Margin¹	243.4	222.9	20.5	9.2%
Operating Expenses				
Operating and maintenance	57.4	54.8	2.6	4.7%
Administrative and general	31.3	30.0	1.3	4.3%
Property and other taxes	36.3	40.1	(3.8)	(9.5%)
Depreciation and depletion	56.9	52.4	4.5	8.6%
Total Operating Expenses	181.9	177.3	4.6	2.6%
Operating Income	61.6	45.6	16.0	35.1%
Interest expense	(31.9)	(28.4)	(3.5)	(12.3%)
Other income, net	6.2	4.1	2.1	51.2%
Income Before Taxes	35.9	21.3	14.6	68.5%
Income tax expense	(4.2)	(2.2)	(2.0)	(90.9%)
Net Income	\$ 31.7	\$ 19.1	\$ 12.6	66.0%
Effective Tax Rate	11.8%	10.1%	1.70%	
Diluted Shares Outstanding	61.4	59.8	1.6	2.7%
Diluted Earnings Per Share	\$0.52	\$0.32	\$ 0.20	62.5%
Dividends Paid per Common Share	\$ 0.65	\$ 0.64	\$ 0.01	1.6%

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Second Quarter 2024 Financial Results

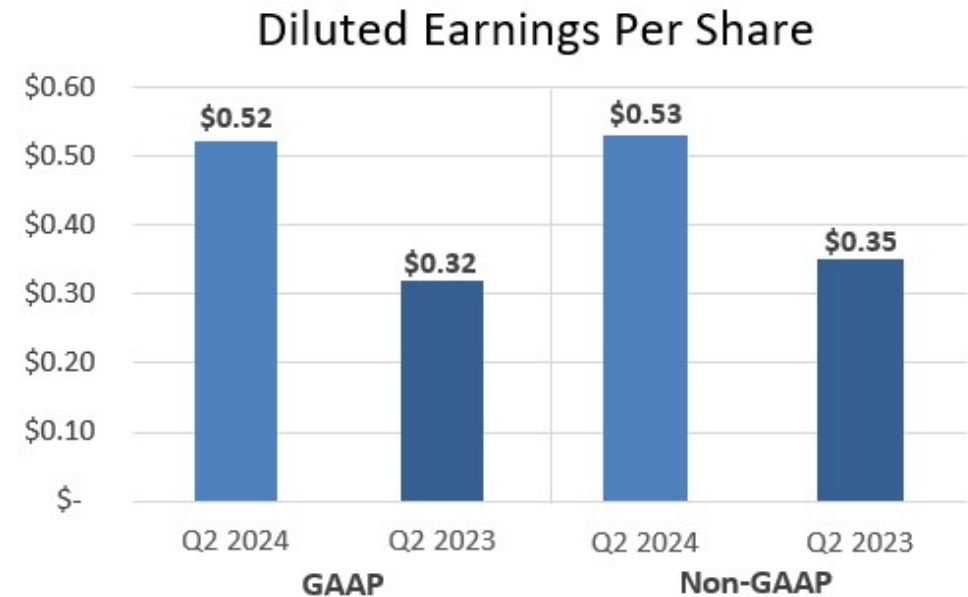
Second Quarter Net Income vs Prior Period

- GAAP: ↑ 12.6 million or 66.0%
- Non-GAAP¹: ↑ 11.8 million or 57.8%



Second Quarter EPS vs Prior Period

- GAAP: ↑ \$0.20 or 62.5%
- Non-GAAP¹: ↑ \$0.18 or 51.4%



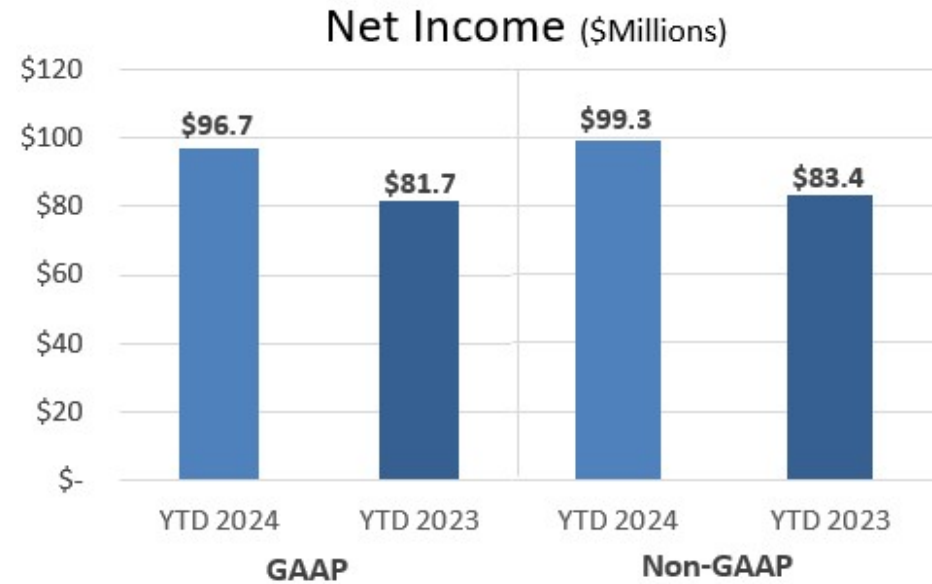
Year-to-Date 2024 Financial Results

Year-to-Date Net Income vs Prior Period

- GAAP: ↑ 15.0 million or 18.4%
- Non-GAAP¹: ↑ 15.9 million or 19.1%

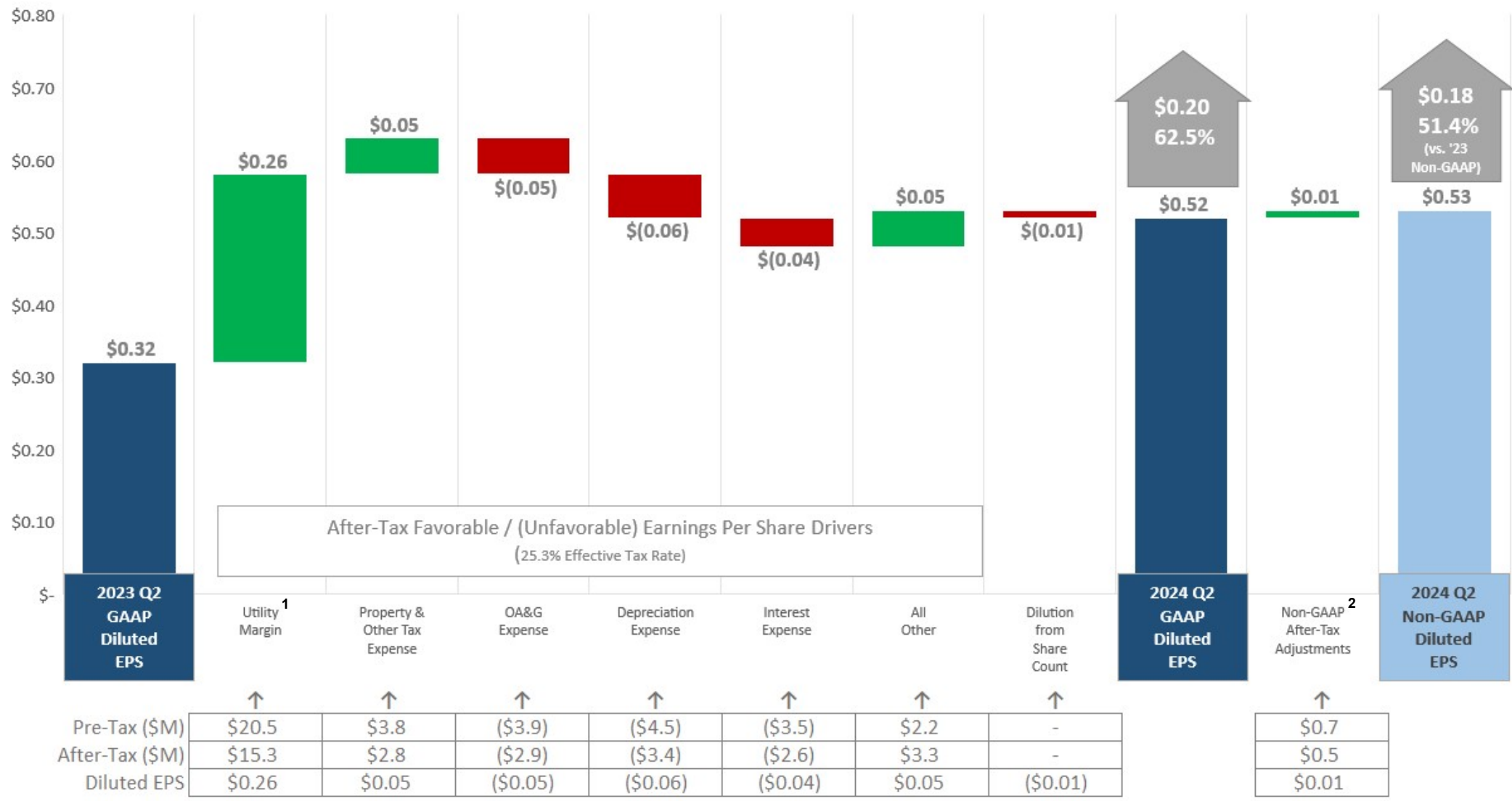
Year-to-Date EPS vs Prior Period

- GAAP: ↑ \$0.21 or 15.4%
- Non-GAAP¹: ↑ \$0.22 or 15.7%



Second Quarter Earnings Drivers

After-tax EPS vs Prior Year



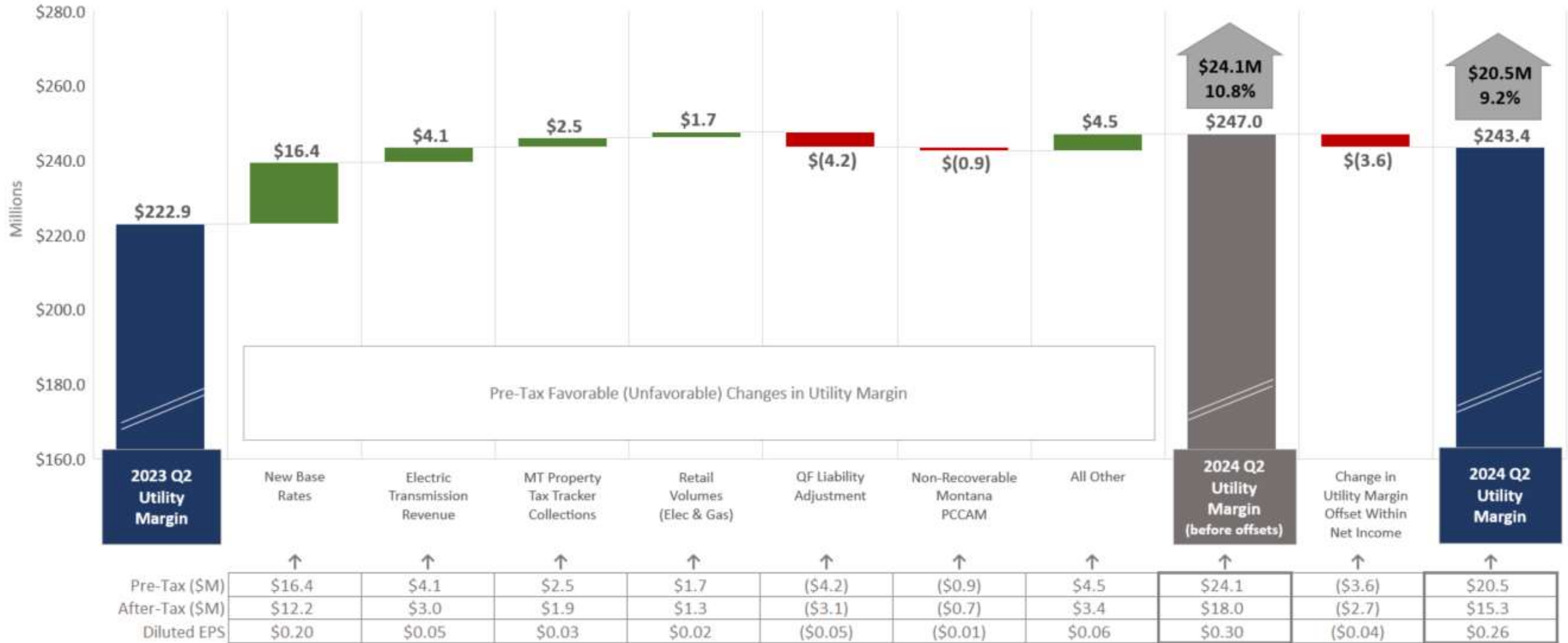
Improvement in Utility Margin offset mild weather, higher OA&G expense, depreciation, interest expense, and slight dilution from higher share count.

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

2.) See "Second Quarter 2024 Non-GAAP Earnings" below and "Non-GAAP Financial Measures" in appendix.

Second Quarter Utility Margin Bridge

Pre-tax Millions vs. Prior Year



\$24.1 million or 10.8% increase in Utility Margin items that impact Net Income

Second Quarter 2024 Non-GAAP Earnings

Three Months Ended June 30,												
	Non-GAAP Adjustments				Non-GAAP Variance		Non-GAAP Adjustments					
	GAAP	Unfavorable Weather (Addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Deferred Compensation	Non GAAP		Non GAAP	Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Unfavorable Weather (Addback)	GAAP	
	Three Months Ended June 30, 2024				Three Months Ended June 30, 2024			Three Months Ended June 30, 2023			Three Months Ended June 30, 2023	
						Variance						
						\$	%					
(in millions)												
Revenues	\$319.9	0.7			\$320.6	\$28.3	9.7%	\$292.3			1.8	\$290.5
Fuel, supply & dir. tx	76.5	-			76.5	8.9	13.2%	67.6			-	67.6
Utility Margin ⁽²⁾	243.4	0.7	-	-	244.1	19.4	8.6%	224.7	-	-	1.8	222.9
Op. Expenses												
OG&A Expense	88.6	-	(0.6)	0.2	88.2	3.4	4.0%	84.8	-	-	-	84.8
Prop. & other taxes	36.3	-			36.3	(3.8)	-9.5%	40.1	-	-	-	40.1
Depreciation	56.9	-			56.9	4.5	8.6%	52.4	-	-	-	52.4
Total Op. Exp.	181.9	-	(0.6)	0.2	181.5	4.2	2.4%	177.3	-	-	-	177.3
Op. Income	61.6	0.7	0.6	(0.2)	62.7	15.3	32.3%	47.4	-	-	1.8	45.6
Interest expense	(31.9)	-			(31.9)	(3.5)	-12.3%	(28.4)	-	-	-	(28.4)
Other (Exp.) Inc., net	6.2	-	(0.6)	0.2	5.8	1.7	41.5%	4.1	-	-	-	4.1
Pretax Income	35.9	0.7	-	-	36.6	13.5	58.4%	23.1	-	-	1.8	21.3
Income tax	(4.2)	(0.2)	-	-	(4.4)	(1.7)	-63.0%	(2.7)	-	-	(0.5)	(2.2)
Net Income	\$31.7	0.5	-	-	\$32.2	\$11.8	57.8%	\$20.4	-	-	1.3	\$19.1
ETR	11.8%	25.3%	-	-	12.1%			11.7%	-	-	25.3%	10.1%
Diluted Shares	61.4				61.4	1.6	2.7%	59.8				59.8
Diluted EPS	\$0.52	0.01	-	-	\$0.53	\$0.18	51.4%	\$0.35	-	-	0.03	\$0.32

We estimate weather to be a \$0.7 million pre-tax detriment as compared to normal and a \$1.1 million benefit as compared to second quarter 2023.

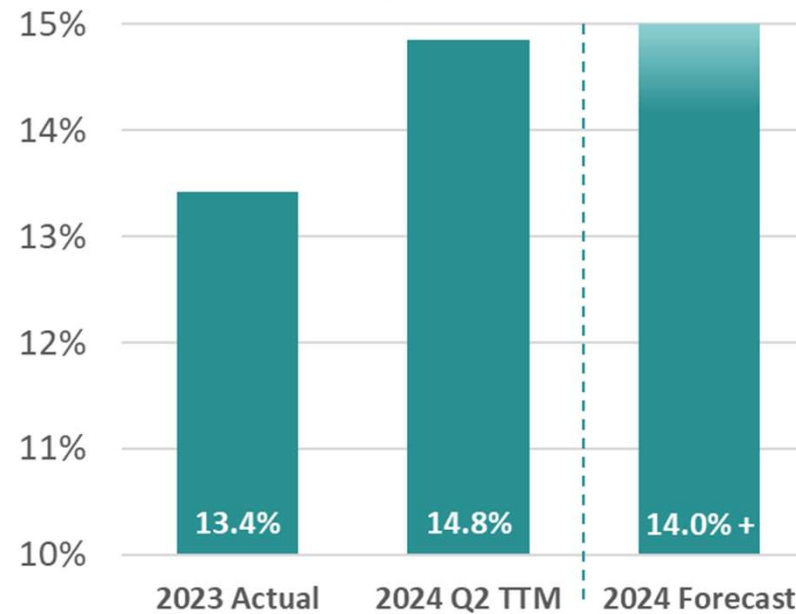
- (1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).
- (2) Utility Margin is a non-GAAP Measure. See the slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosures.

Credit, Cash Flow, and Financing Plans

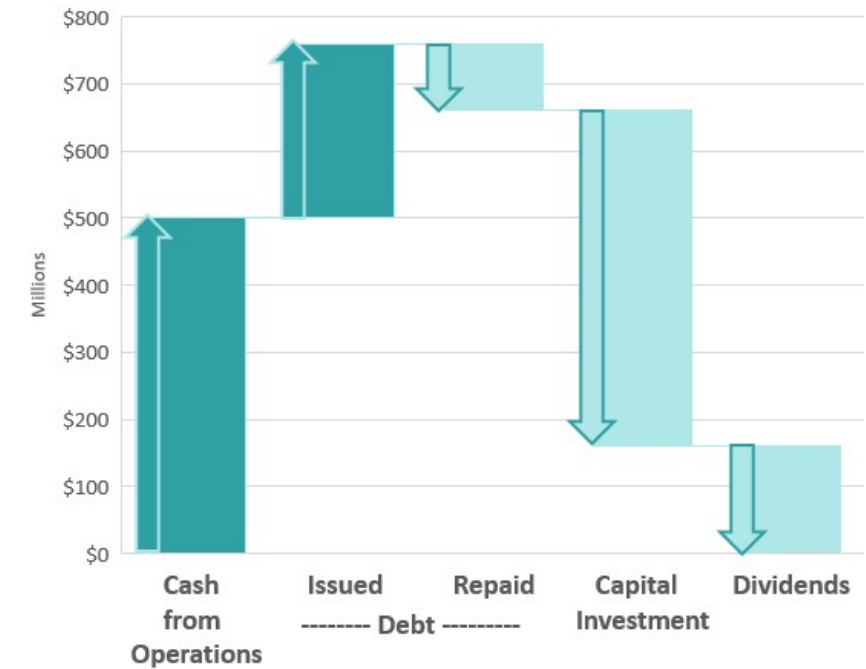
Credit Ratings

		<i>Moody's</i>	<i>S&P</i>	<i>Fitch</i>
NWEG (Hold-Co.)	Issuer	-	<i>BBB</i>	<i>BBB</i>
	Secured	-	-	-
	Unsecured	-	-	<i>BBB</i>
	Outlook	-	<i>Stable</i>	<i>Stable</i>
NW Corp. (MT Op.-Co.)	Issuer	<i>Baa2</i>	<i>BBB</i>	<i>BBB</i>
	Secured	<i>A3</i>	<i>A-</i>	<i>A-</i>
	Unsecured	<i>Baa2</i>	-	<i>BBB+</i>
	Outlook	<i>Stable</i>	<i>Stable</i>	<i>Stable</i>
NWEPS (SDNE Op.-Co.)	Issuer	<i>Baa2</i>	<i>BBB</i>	<i>BBB</i>
	Secured	<i>A3</i>	<i>A-</i>	<i>A-</i>
	Unsecured	-	-	<i>BBB+</i>
	Outlook	<i>Stable</i>	<i>Stable</i>	<i>Stable</i>

FFO / Debt



2024 Financing Plan



No equity expected to fund the current 5-year | \$2.5 billion capital plan

Financing plans (targeting a FFO to Debt ratio > 14%) are expected to maintain our current credit ratings. We expect to pay minimal cash taxes into 2028 due to utilization of our NOL's and tax credits. Financing plans are subject to change.

Strong Growth Outlook

2024 Non-GAAP EPS Guidance¹ of \$3.42 - \$3.62

- ✓ **Affirming long-term (5 Year) expected growth rates**
 - **EPS growth of 4% to 6%** from 2022 base year of \$3.18 Non-GAAP
 - **Rate base growth of 4% to 6%** from 2022 base year \$4.54 billion
 - Continued focus on earned returns driven by financial and operational execution
- ✓ **No equity expected** to fund the current 5-year | \$2.5 billion capital plan
 - Capital plan is expected to be funded by cash from operations (aided by net operating losses¹) and secured debt
 - Any equity needs would be driven by opportunities incremental to the plan
- ✓ **Expect to maintain FFO / Debt > 14% through 2024** and beyond
- ✓ Earnings growth is expected to exceed dividend growth until we return to our targeted 60% to 70% payout ratio.

1.) See "2024 Earnings Bridge" in the Appendix for additional detail.



This guidance range is based upon, but not limited to, the following major assumptions:

- Normal weather in our service territories;
- Interim rates in Montana in the fourth quarter;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.4 million.



Rate Reviews



	MT Electric	MT Natural Gas	SD Natural Gas	NE Natural Gas
Date Filed	July 10, 2024	July 10, 2024	June 21, 2024	June 6, 2024
Test Year End	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables
Revenue Request	\$156.5 Million (\$69.4M net with Property Tax Tracker and PCCAM Adjustments)	\$28.6 Million	\$6.0 Million (\$4.4M Retail and \$1.6M Tx)	\$3.6 Million (\$3.3M Retail and \$0.3M Tx)
Equity Layer / ROE	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.65%)	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.55%)	Requested: 53.13% / 10.70% (Authorized: N/A / N/A)	Requested: 53.13% / 10.70% (Authorized: N/A / 10.40%)
Debt Layer / Cost of Debt	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 46.87% / 4.42% (Authorized: N/A / N/A)	Requested: 46.87% / 4.42% (Authorized: N/A / 6.50%)
Authorized Rate Base	Requested: \$3.45 Billion (Authorized: \$2.84 Billion)	Requested: \$731.9 Million (Authorized: \$582.8 Million)	Requested: \$95.6 Million (Authorized: \$65.9 Million)	Requested: \$47.4 Million (Authorized: \$24.3 Million)
Other Items to Note	\$874M of Gross Plant Investment (Jan '23-Dec '24F)	\$174M of Gross Plant Investment (Jan '23-Dec '24F)	\$80M of Gross Plant Investment (Jan '10-Dec '23)	\$42M of Gross Plant Investment (Jan '07-Dec '23)
Key Dates	Proposed Interim Rates implemented Oct. 1, 2024 / New Rates implemented April 10, 2025	Proposed Interim Rates implemented Oct. 1, 2024 / New Rates implemented April 10, 2025	Interim rates 180 days from filing. Earliest rate increase would be Dec. 21, 2024	Proposed interim rates Oct. 1, 2024

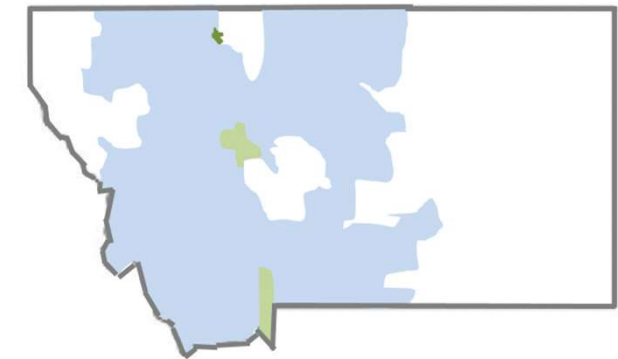
Note: For Montana electric, the equity and debt layer, ROE and cost of debt exclude Colstrip Unit 4 metrics of a 10.00% return on equity, an equity weighting of 50.0% and a return on rate base of 8.25%



Strategic Update

Energy West/Cut Bank Natural Gas

Transaction Highlights	<ul style="list-style-type: none"> Two natural gas LDC's in Montana: Energy West Montana ("EWM") and Cut Bank Gas Co. ("CBGC") from Hope Utilities 33,000 customers in Great Falls area, West Yellowstone and Cut Bank communities EWM's and CBGC's currently authorized rates will remain until our next natural gas rate review
Purchase Price	<ul style="list-style-type: none"> Asset purchase price of \$39 million*, subject to a number of customary closing conditions
Approvals and Timing	<ul style="list-style-type: none"> Expected closing in the first quarter of 2025 Subject to Montana Public Service Commission approval (August 2024 filing)
Customers	<ul style="list-style-type: none"> Opportunity to acquire assets strategically located within our service territory Consistent with focus on our existing regulated utility business
Communities	<ul style="list-style-type: none"> Expands and reinforces NorthWestern's commitment to Montana, its communities and residents Opportunity to expand NorthWestern's charitable and economic development impact
Employees	<ul style="list-style-type: none"> EWM and CBGC employees offered employment with NWE NorthWestern remains committed to competitive pay, benefits and opportunity for advancement
Investors	<ul style="list-style-type: none"> Regulated distribution assets within our existing geography Expected to be earnings and credit neutral



■ NWE Natural Gas Service Territory
■ Energy West Service Territory
■ Cut Bank Service Territory

* Approximately 1.5x estimated 2024 ending Property Plant & Equipment balance

Colstrip Transaction Overview

NorthWestern Energy entered into an agreement to acquire Puget Sound Energy’s ownership interests in Colstrip Units 3 and 4.

This transaction is in addition to our previously disclosed agreement with Avista to acquire their ownership interest in Colstrip.



Reliability

NorthWestern has considerable low cost wind and solar generation on our system today, but that generation is variable. Colstrip’s generation provides power for our customers when the wind isn’t blowing and the sun isn’t shining.

Affordability

As other states require a transition away from coal resources at a pace faster than is feasible in Montana, this no-cost acquisition allows our customers to transition to a cleaner energy future at a pace that works for Montanans.

Sustainability

Colstrip is a dependable bridge to a cleaner energy future, which could ultimately include new lower- or no-carbon emitting resources such as gas-fired generation, small modular nuclear reactors, long-duration storage or other technologies, which we believe could be located in the Colstrip area. But this will take time and we will not sacrifice service reliability during the transition.

	<u>Avista</u>	<u>Puget Sound</u>
Announcement Date:	January 2023	July 2024
Effective Date:	December 31, 2025	December 31, 2025
Generating Capacity:	222 MW (111 MW of each CU 3 & 4)	370 MW (185 MW of each CU 3 & 4)
Acquisition Price:	\$0.0	\$0.0

The no-cost acquisition will allow us to leverage existing infrastructure in Montana that is available when our customers need energy the most at an affordable cost.

Similar to the previously disclosed Avista agreement, the Puget acquisition is subject to customary conditions and approvals, including approval from the FERC. NorthWestern will have the right to exercise Avista’s and Puget Sound’s votes with respect to capital expenditures between now and 2025 with both Avista and Puget Sound responsible for its pro rata share. Avista and Puget Sound will retain their respective existing environmental and decommissioning obligations through life of plant.

Colstrip Facility Ownership Overview

Mitigating today's capacity crisis while creating a sustainable glide path to the cost-effective carbon-free technologies of tomorrow

	Current Colstrip Ownership Structure (megawatts)		Announced January 16, 2023		Announced July 30, 2024	
	Unit 3	Unit 4	Unit 3	Unit 4	Unit 3	Unit 4
Avista	111	111				
NorthWestern		222	111	333	296	518
PacifiCorp	74	74	74	74	74	74
Portland	148	148	148	148	148	148
Puget	185	185	185	185		
Talen	222		222		222	
Total	740	740	740	740	740	740
Avista	15%	15%				
NorthWestern		30%	15%	45%	40%	70%
PacifiCorp	10%	10%	10%	10%	10%	10%
Portland	20%	20%	20%	20%	20%	20%
Puget	25%	25%	25%	25%		
Talen	30%		30%		30%	
Total	100%	100%	100%	100%	100%	100%
NorthWestern's Share of Total Facility		15%		30%		55%

55%

In January 2026, we will own 55% of Colstrip Units 3 & 4.

This allows us to guide investments in operation and maintenance in providing on-demand, 24/7 cost-effective generation for our Montana customers until a viable equivalent, carbon-free energy resource is available.

Montana Wildfire Mitigation Plan



Reduction of Ignition Potential

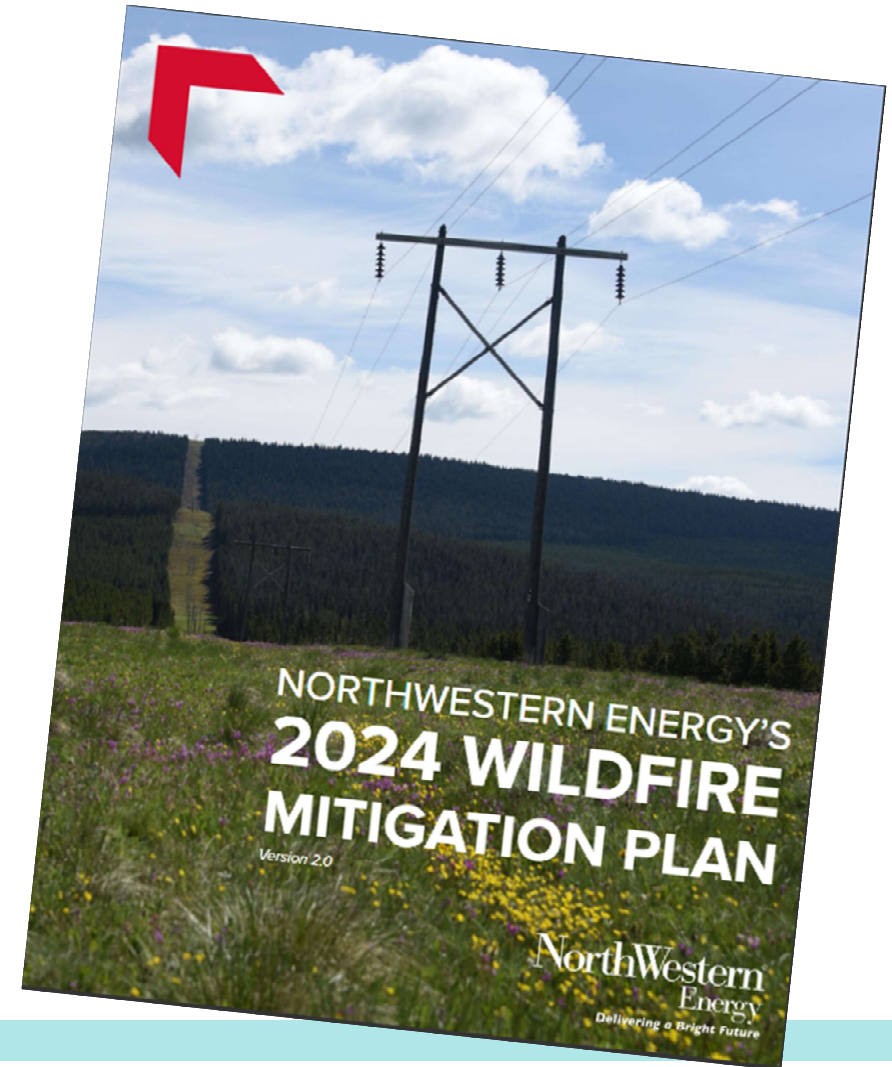
System and Environmental Monitoring

Enhanced Vegetation Maintenance

Enriched Public Communication and Outreach

- ✓ Comprehensive summary of wildfire mitigation activities
- ✓ Expect to update plan with each electric rate review filing
- ✓ Deferral treatment for wildfire costs beyond amounts authorized in rates (up to \$95 million over 5 years)
- ✓ **Key elements of the plan, driven by risk analysis include:**
 - Situational Awareness
 - Operational Practice
 - System Preparedness
 - Vegetation Management
 - Public Communication
- ✓ Linear line miles of highest risk Montana electric assets

Distribution 5.9%
Transmission 7.3%



Our operational practice includes situationally performing power shutdowns and adjusting system operating protocols during periods of heightened wildfire risk. Power shutdown considerations include environmental conditions, system performance, and mitigating any potential impacts of an outage to customers and emergency services.

Conclusion

Pure
Electric &
Gas Utility

Solid Utility
Foundation

Best
Practices
Corporate
Governance

Attractive
Future
Growth
Prospects

Strong
Earnings &
Cash Flows

NorthWestern Energy Group, Inc.

dba: NorthWestern Energy

Ticker: NWE (Nasdaq)

www.northwesternenergy.com

Corporate Support Office

3010 West 69th Street

Sioux Falls, SD 57108

(605) 978-2900

Investor Relations Officer

Travis Meyer

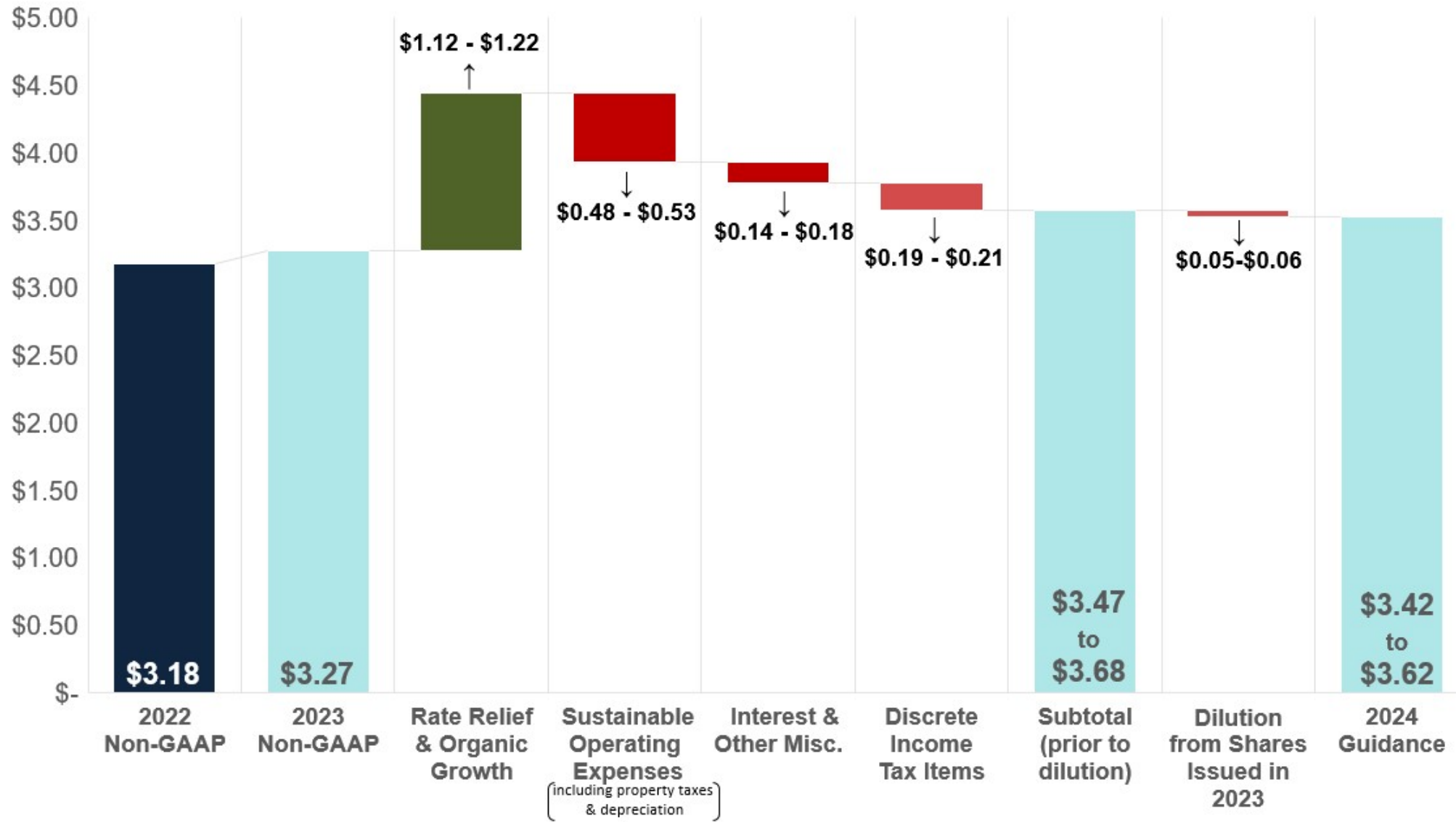
605-978-2967

travis.meyer@northwestern.com



Appendix:

2024 Earnings Bridge



This guidance range is based upon, but not limited to, the following major assumptions:

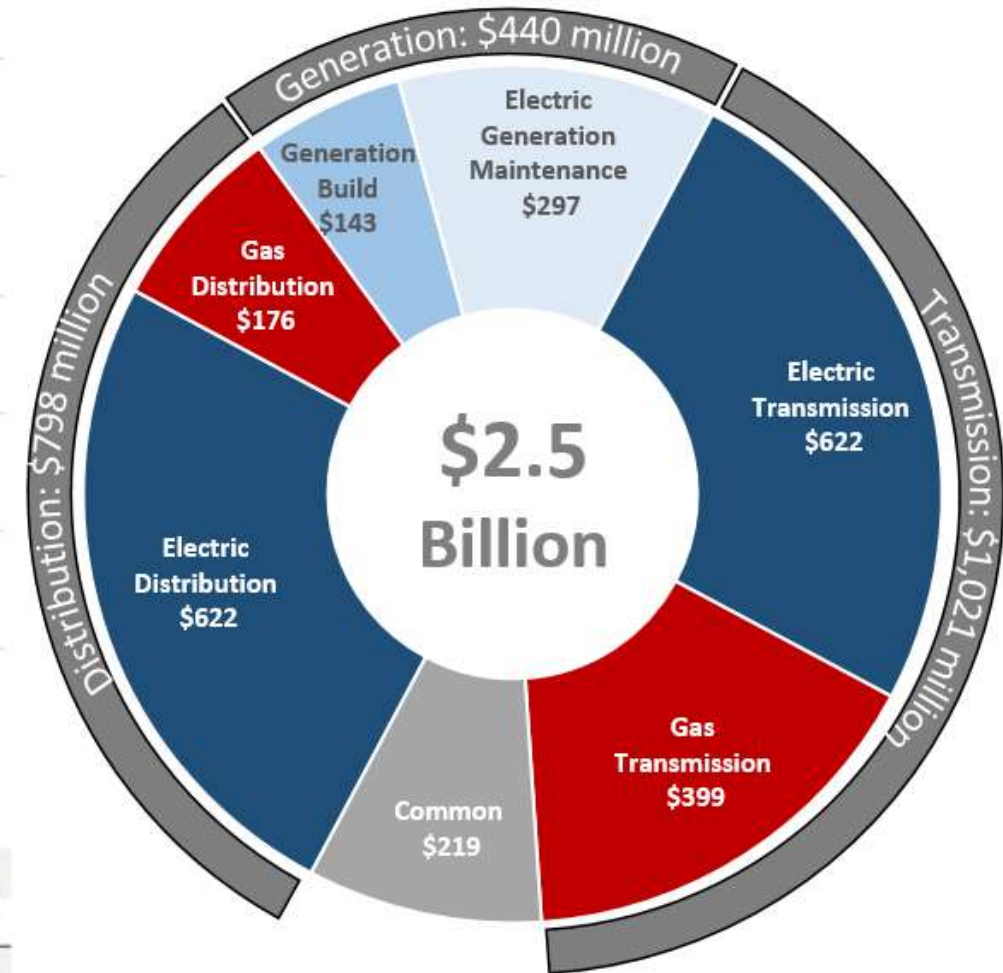
- Normal weather in our service territories;
- Interim rates in Montana in the fourth quarter;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.4 million.

Regulated Utility Five-Year Capital Forecast



\$ Millions	2024	2025	2026	2027	2028
Electric	\$ 384	\$ 390	\$ 339	\$ 364	\$ 364
Natural Gas	\$ 116	\$ 117	\$ 124	\$ 138	\$ 142
Total NWE Capex	\$ 500	\$ 506	\$ 463	\$ 502	\$ 506

2024-2028 Capital Investment (\$ Millions)



\$2.5 billion of highly-executable and low-risk capital investment

Rate Base & Authorized Return Summary

Estimate as of 12/31/2023

Jurisdiction and Service	Implementation Date	Authorized Rate Base (millions)	Year-end Estimated Rate Base (millions)	Authorized Overall Rate of Return	Authorized Return on Equity	Authorized Equity Level
Montana electric delivery and production (1)	November 2023	\$ 2,565.5	\$ 2,874.8	6.72%	9.65%	48.02%
Montana - Colstrip Unit 4	November 2023	\$ 276.9	\$ 257.7	8.25%	10.00%	50.00%
Montana natural gas delivery and production (2)	November 2023	\$ 582.8	\$ 744.1	6.67%	9.55%	48.02%
Total Montana		\$ 3,425.2	\$ 3,876.6			
South Dakota electric (3) (4)	January 2024	\$ 791.8	\$ 810.3	6.81%	n/a	n/a
South Dakota natural gas (3)	December 2011	\$ 65.9	\$ 95.8	7.80%	n/a	n/a
Total South Dakota		\$ 857.7	\$ 906.1			
Nebraska natural gas (3)	December 2007	\$ 24.3	\$ 50.1	8.49%	10.40%	n/a
Total NorthWestern Energy		\$ 4,307.2	\$ 4,832.8			

(1) The revenue requirement associated with the FERC regulated portion of Montana electric transmission and ancillary services are included as revenue credits to our MPSC jurisdictional customers. Therefore, we do not separately reflect FERC authorized rate base or authorized returns.

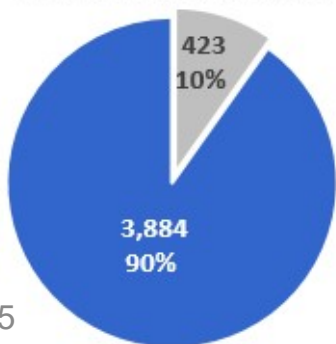
(2) The Montana gas revenue requirement includes a step down which approximates annual depletion of our natural gas production assets included in rate base.

(3) For those items marked as "n/a," the respective settlement and/or order was not specific as to these terms.

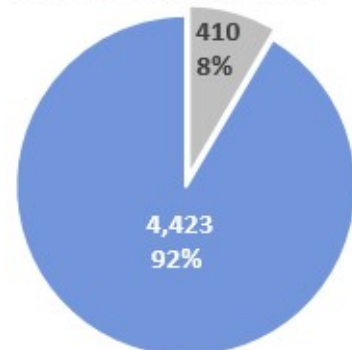
(4) On June 15, 2023, we filed a South Dakota electric rate review filing (2022 test year) with the South Dakota Public Utility Commission

Coal Generation Rate Base as a percentage of Total Rate Base

Authorized Rate Base



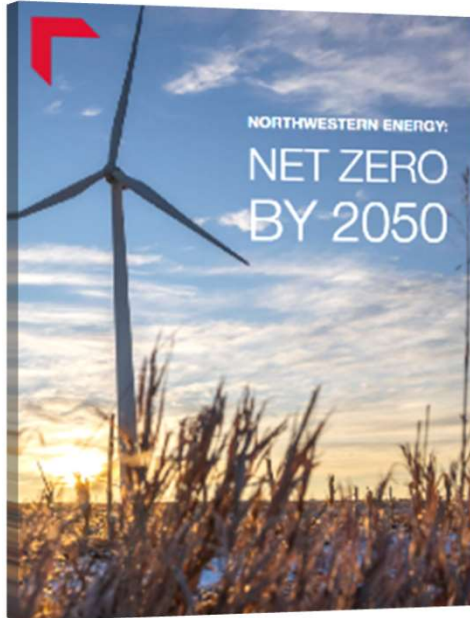
Estimated Rate Base



■ Coal Rate Base
■ Non-Coal Rate Base

Revenue from coal generation is not easily identifiable due to the use of bundled rates in South Dakota and other rate design and accounting considerations. However, NorthWestern is a fully regulated utility company for which rate base is the primary driver for earnings. The data to the left illustrates that NorthWestern only derives approximately 9 -14% of earnings from its jointly owned coal generation rate base.

Our Net-Zero Vision



Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also being good stewards of the environment. We have responded to climate change, its implications and risks, by increasing our environmental sustainability efforts and our access to clean energy resources. But more must be done. We are committed to achieving net zero emissions by 2050.



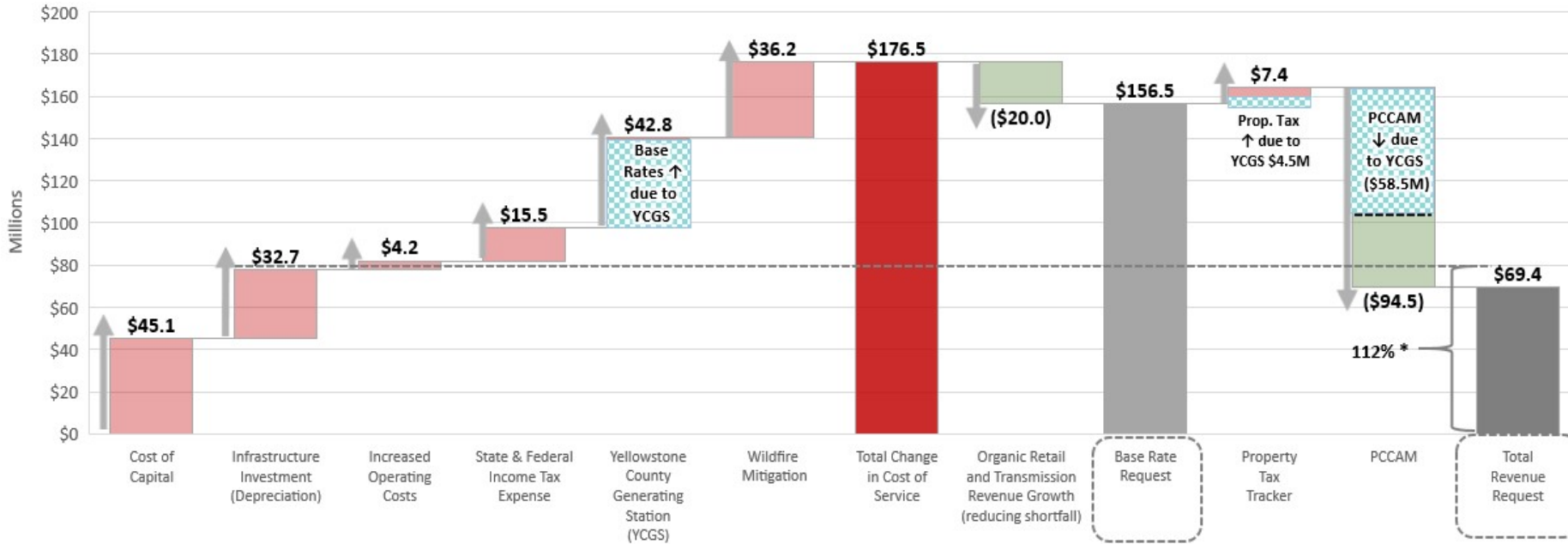
- Committed to achieving net-zero by 2050 for Scope 1 and 2 emissions
- Must balance Affordability, Reliability and Sustainability in this transition
- No new carbon emitting generation additions after 2035
- Pipeline modernization, enhanced leak detection and development of alternative fuels for natural gas business
- Electrify fleet and add charging infrastructure
- Carbon offsets likely needed to ultimately achieve net-zero
- Please visit www.NorthWesternEnergy.com/NetZero to learn more about our Net Zero Vision.



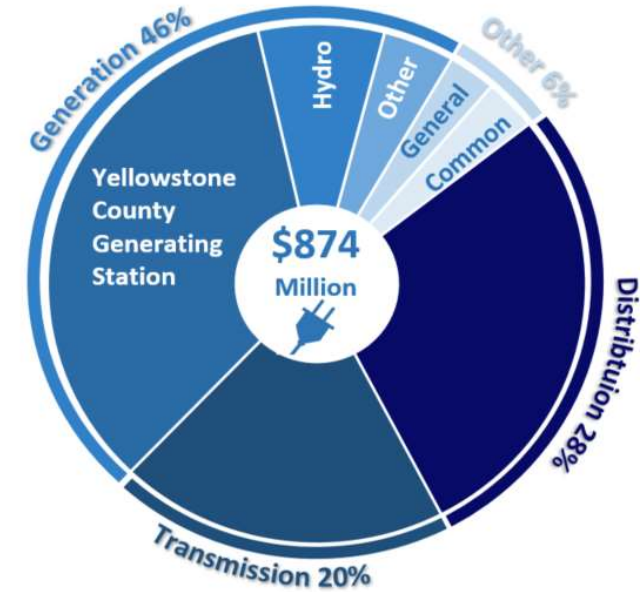
Rate Review Appendix

Montana Electric Rate Review

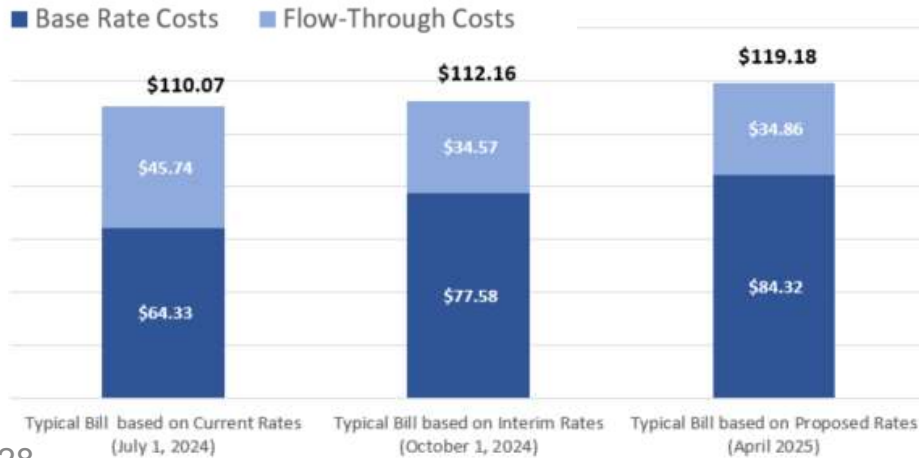
\$156.5 Million Base Rate Increase Requested & \$69.4 Million Total Request



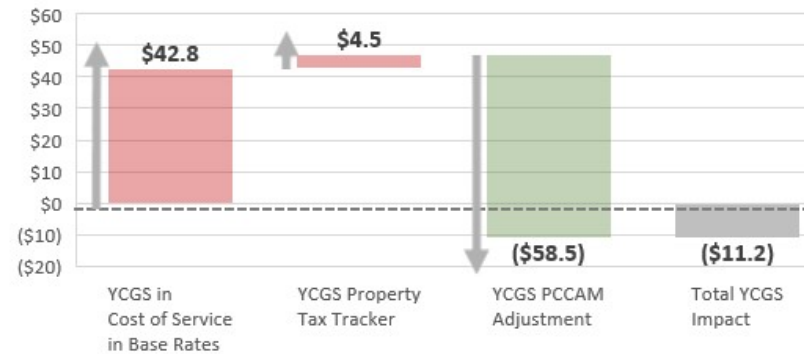
NWE Montana Electric Plant-In-Service Additions 2023 Actuals and 2024 Known and Measurable



Typical 750 kWh Residential Electric Bill



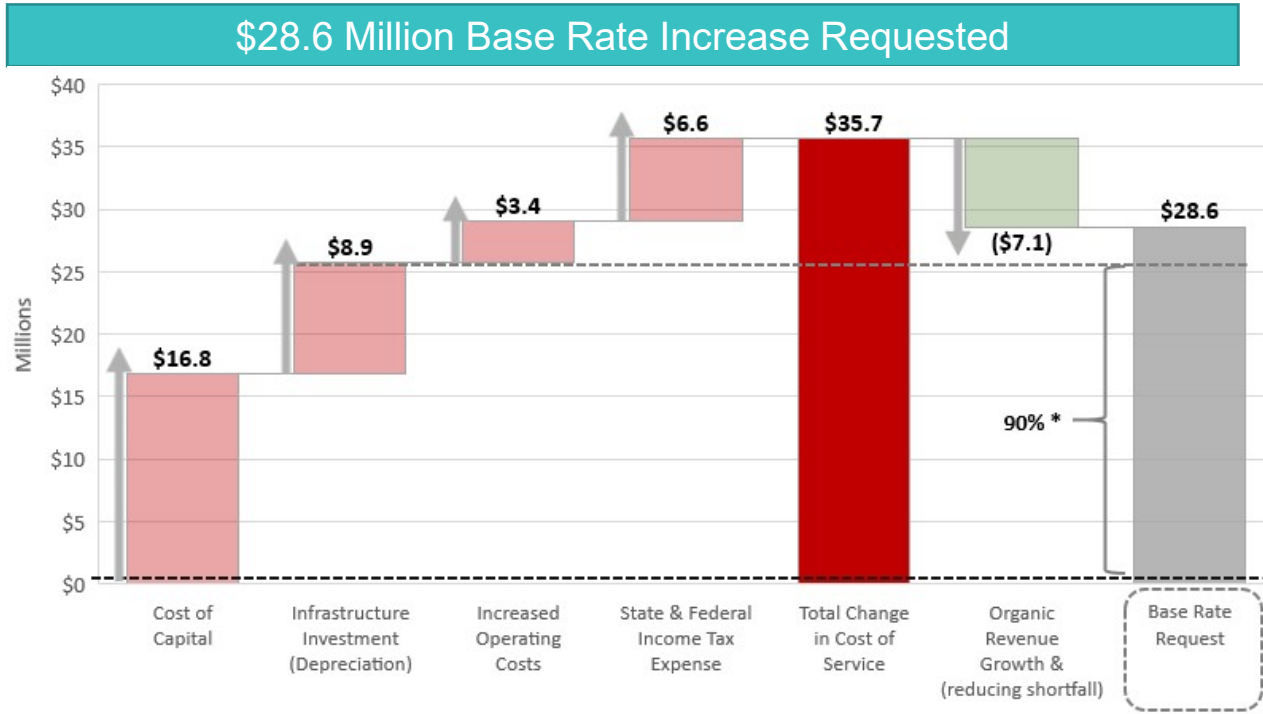
YCGS Net Customer Impact



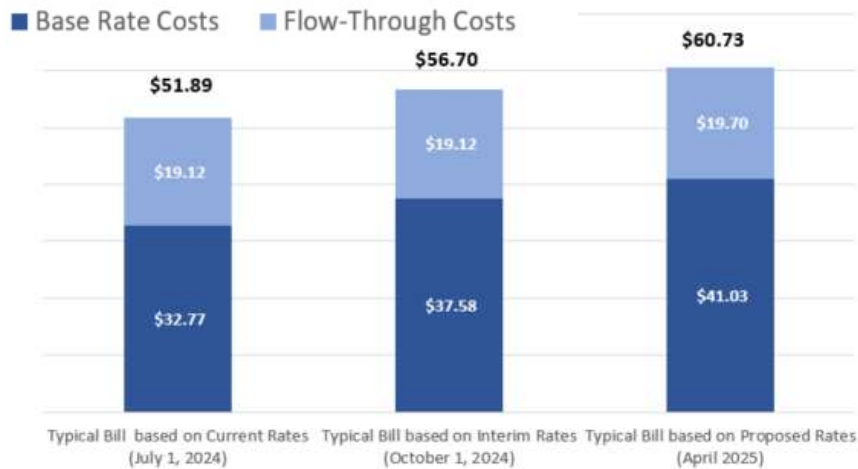
Montana Electric:

- 69.4 Million Total Request
- \$874 Million Plant-in-Service additions ('23-'24F)
- Operating Costs increase 1.1% CAGR ('21-'23)
- Typical Residential Bill increase 8.3% at full request

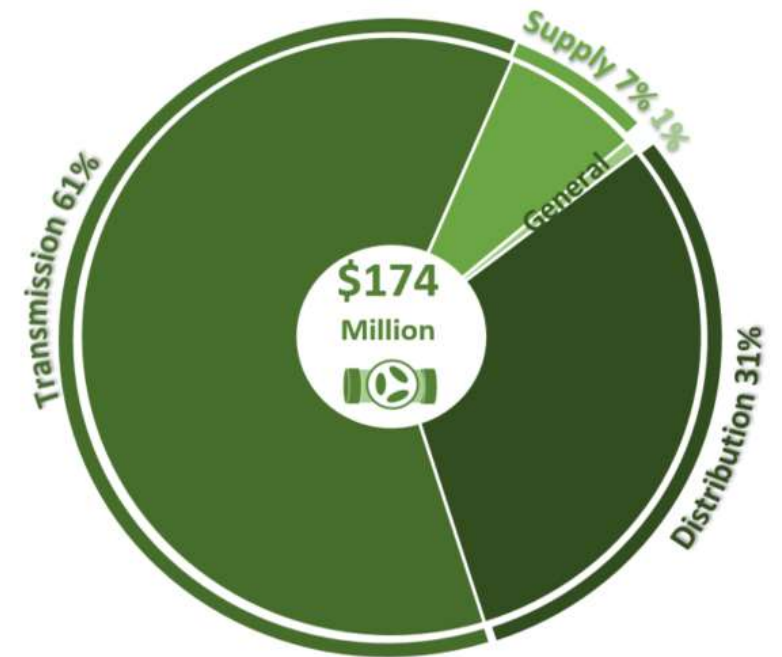
Montana Gas Rate Review



Typical 65 Therm Residential Natural Gas Bill



**NWE Montana Natural Gas Plant-In-Service Additions
2023 Actuals and 2024 Known and Measurable**

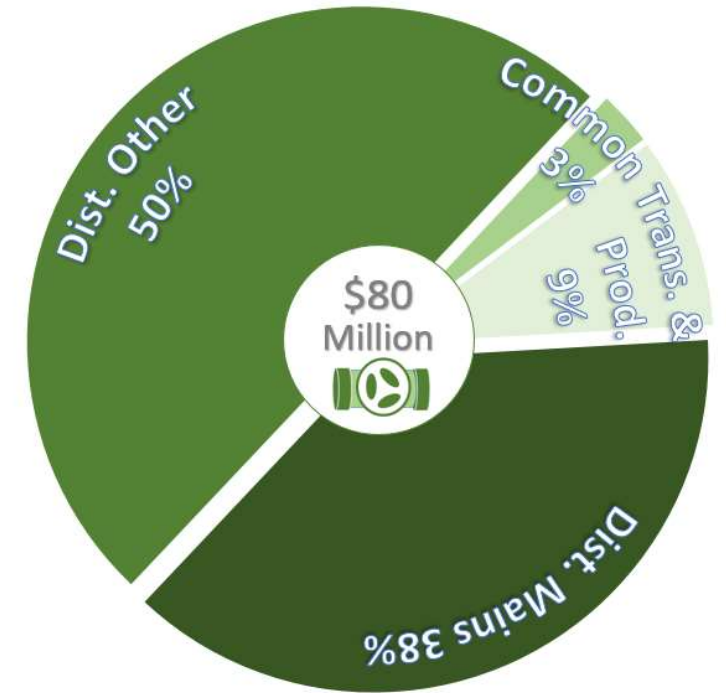
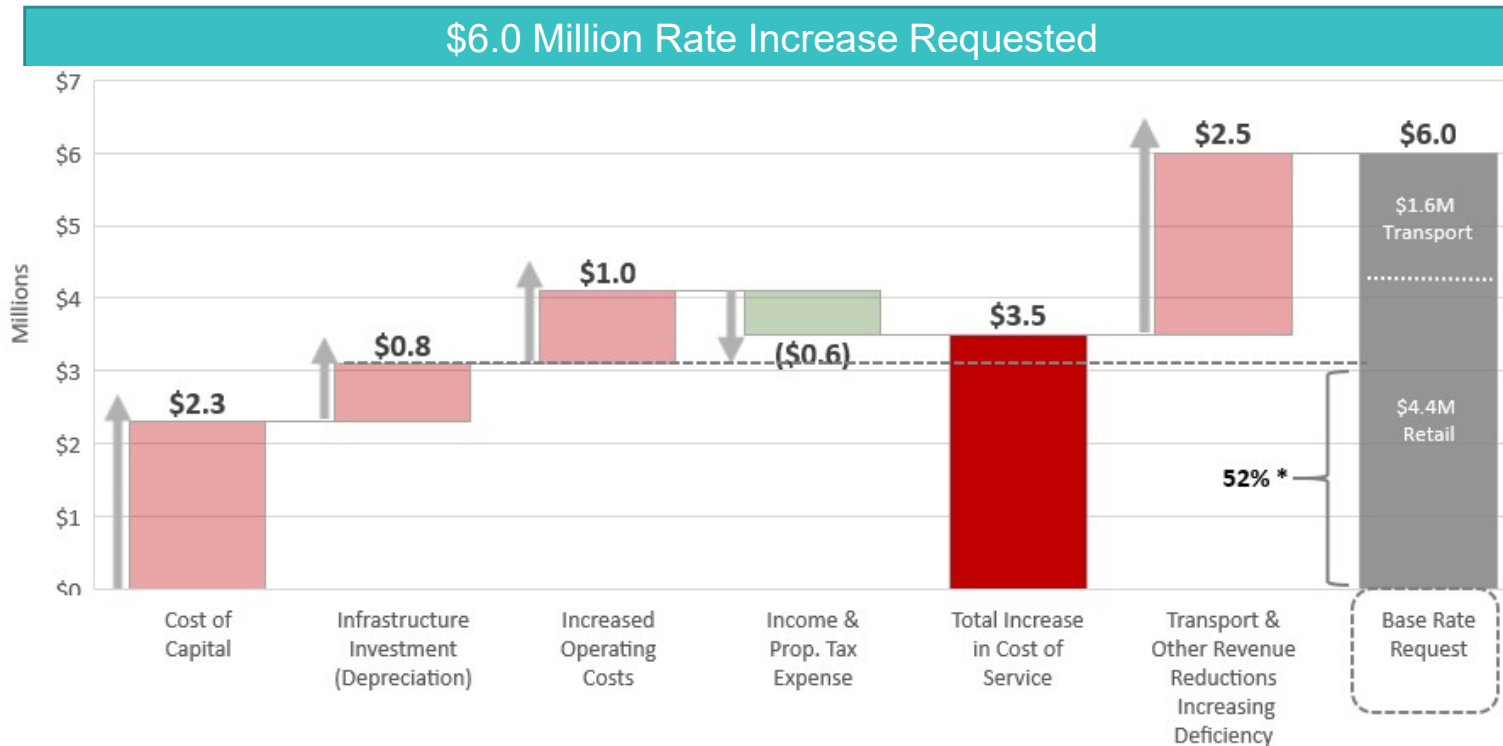


Montana Natural Gas:

- \$28.6 Million Total Request
- \$174 Million Plant-in-Service additions ('23-'24F)
- Operating Costs increase 3.3% CAGR ('21-'23)
- Typical Residential Bill increase 17.0% at full request

South Dakota Natural Gas Rate Review

South Dakota Natural Gas - Gross Plant Investment
January 2010 - December 2023



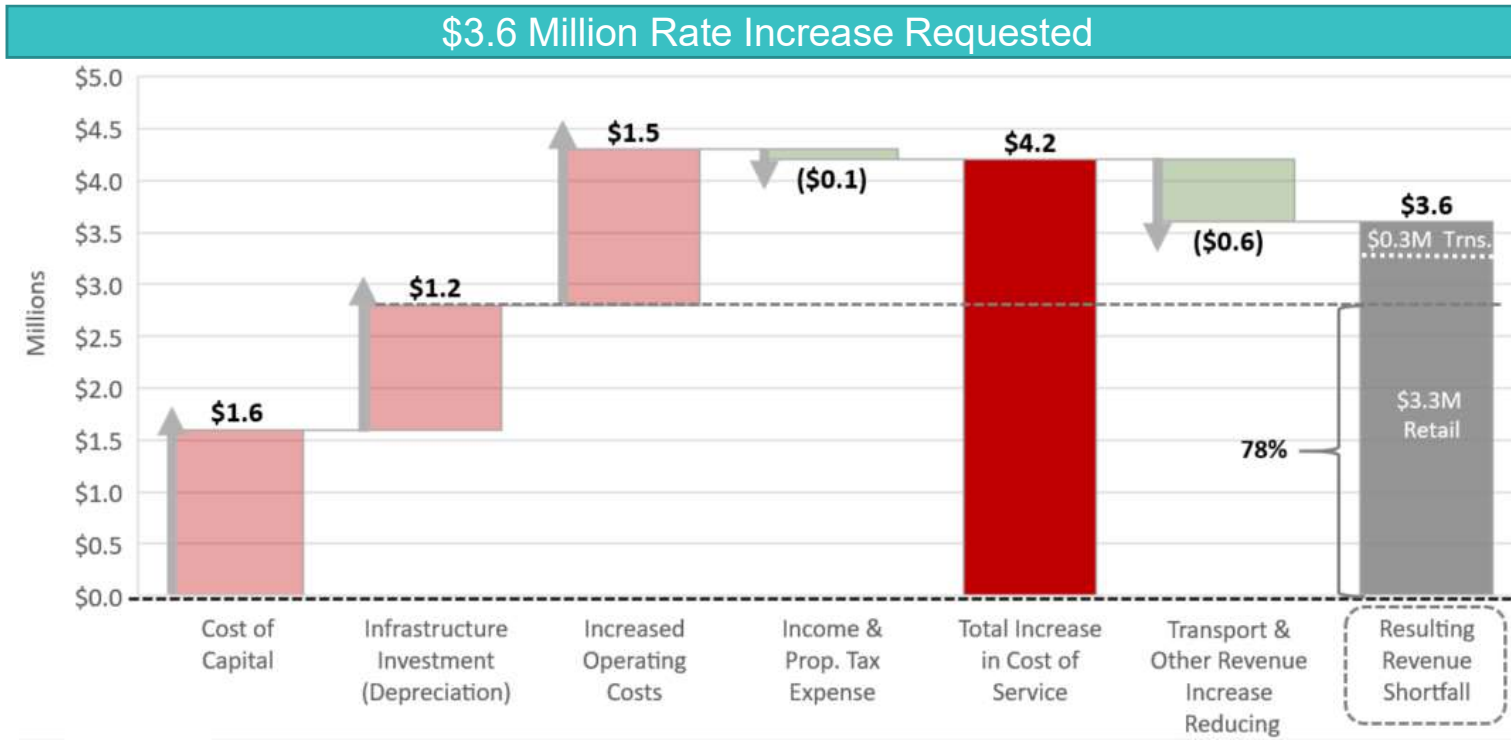
Typical 100 Therm Residential Natural Gas Bill



South Dakota Natural Gas:

- \$6.0 Million Total Request
- \$80 Million Plant-in-Service additions ('10-'23)
- Operating Costs increase 1.9% CAGR ('10-'23)
- Typical Residential Bill increase 7.9% at full request

Nebraska Natural Gas Rate Review



Nebraska Natural Gas - Gross Plant Investment
January 2007 - December 2023



Typical 100 Therm Residential Natural Gas Bill



Nebraska Natural Gas:

- \$3.6 Million Total Request
- \$42 Million Plant-in-Service additions ('07-'23)
- Operating Costs increase 1.3% CAGR ('07-'23)
- Typical Residential Bill increase 5.8% at full request



Second Quarter Appendix

Utility Margin (Q2)

(dollars in millions)

	Three Months Ended June 30,			
	2024	2023	Variance	
Electric	\$ 199.2	\$ 186.9	\$ 12.3	6.6%
Natural Gas	44.2	36.0	8.2	22.8%
Total Utility Margin¹	\$ 243.4	\$ 222.9	\$ 20.5	9.2%

Increase in utility margin due to the following factors:

\$ 16.4	Base rates
4.1	Transmission revenue due to market conditions
2.5	Montana property tax tracker collections
1.1	Natural gas retail volumes
0.8	Montana natural gas transportation
0.6	Electric retail volumes
(4.2)	Qualifying Facility (QF) liability adjustment
(0.9)	Non-recoverable Montana electric supply costs
3.7	Other
\$ 24.1	Change in Utility Margin <u>Impacting</u> Net Income
\$ (3.8)	Property & other taxes recovered in revenue, offset in property & other taxes
(0.8)	Production tax credits, offset in income tax expense
1.0	Operating expenses recovered in revenue, offset in operating & maintenance expense
\$ (3.6)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 20.5	Increase in Utility Margin

Operating Expenses (Q2)

(dollars in millions)

Three Months Ended June 30,

	2024	2023	Variance	
Operating & maintenance	\$ 57.4	\$ 54.8	\$ 2.6	4.7%
Administrative & general	31.3	30.0	1.3	4.3%
Property and other taxes	36.3	40.1	(3.8)	(9.5)%
Depreciation and depletion	56.9	52.4	4.5	8.6%
Operating Expenses	\$ 181.9	\$ 177.3	\$ 4.6	2.6%

Increase in operating expenses due to the following factors:

\$ 4.5	Depreciation expense due to plant additions and higher depreciation rates
2.0	Electric generation maintenance
1.8	Labor and benefits ⁽¹⁾
0.5	Insurance expense
0.4	Technology implementation and maintenance expenses
(0.5)	Uncollectible accounts
(1.9)	Other
<u>\$ 6.8</u>	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (3.8)	Property and other taxes recovered in trackers, offset in revenue
0.7	Pension and other postretirement benefits, offset in other income ⁽¹⁾
1.0	Operating and maintenance expenses recovered in trackers, offset in revenue
(0.1)	Deferred compensation, offset in other income
<u>\$ (2.2)</u>	Change in Operating Expense Items <u>Offset Within</u> Net Income
<u><u>\$ 4.6</u></u>	Increase in Operating Expenses

(1) In order to present the total change in labor and benefits, we have included the change in the non-service cost component of our pension and other postretirement benefits, which is recorded within other income on our Condensed Consolidated Statements of Income. This change is offset within this table as it does not affect our operating expenses.

Operating to Net Income (Q2)

(dollars in millions)

Three Months Ended June 30,

	2024	2023	Variance	
Operating Income	\$ 61.6	\$ 45.6	\$ 16.0	35.1%
Interest expense	(31.9)	(28.4)	(3.5)	(12.3)%
Other income, net	6.2	4.1	2.1	51.2%
Income Before Taxes	35.9	21.3	14.6	68.5%
Income tax expense	(4.2)	(2.2)	(2.0)	(90.9)%
Net Income	\$ 31.7	\$ 19.1	\$ 12.6	66.0%

\$3.5 million increase in interest expense was primarily due to higher borrowings and interest rates, partly offset by lower interest on our revolving credit facilities and higher capitalization of Allowance for Funds Used During Construction (AFUDC).

\$2.1 million increase in other income, net was primarily due to higher capitalization of AFUDC and a decrease in the non-service component of pension expense.

\$2.0 million increase in income tax expense was primarily due to higher pre-tax income.

Tax Reconciliation (Q2)

(in millions)

	Three Months Ended June 30,				
	2024		2023		Variance
Income Before Income Taxes	\$35.9		\$21.3		14.6
Income tax calculated at federal statutory rate	7.5	21.0%	4.5	21.0%	3.0
<u>Permanent or flow through adjustments:</u>					
State income tax, net of federal provisions	-	0.1%	0.3	1.3%	(0.3)
Flow-through repairs deductions	(3.0)	(8.5%)	(1.7)	(8.0%)	(1.3)
Production tax credits	(2.0)	(5.6%)	(1.1)	(5.4%)	(0.9)
Amortization of excess deferred income tax	(0.2)	(0.5%)	(0.2)	(1.1%)	-
Plant and depreciation flow-through items	1.1	3.0%	0.2	0.9%	0.9
Other, net	0.8	2.3%	0.1	1.4%	0.7
Sub-total	(3.3)	(9.2%)	(2.4)	(10.9%)	(0.9)
Income Tax Expense	\$ 4.2	11.8%	\$ 2.1	10.1%	\$ 2.1

Appendix

Segment Results (Q2)

(in thousands)

Three Months Ended June 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 260,134	\$ 59,795	\$ -	\$ 319,929
Fuel, purchased supply & direct transmission*	60,887	15,593	-	76,480
Utility margin ¹	199,247	44,202	-	243,449
Operating and maintenance	43,467	13,900	-	57,367
Administrative and general	23,294	7,821	166	31,281
Property and other taxes	28,006	8,251	(1)	36,256
Depreciation & depletion	47,546	9,387	-	56,933
Operating income (loss)	56,934	4,843	(165)	61,612
Interest expense	(23,298)	(7,147)	(1,430)	(31,875)
Other income	4,031	927	1,202	6,160
Income tax (expense) benefit	(3,891)	304	(656)	(4,243)
Net income (loss)	\$ 33,776	\$ (1,073)	\$ (1,049)	\$ 31,654
Three Months Ended June 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 229,266	\$ 61,236	\$ -	\$ 290,502
Fuel, purchased supply & direct transmission*	42,363	25,215	-	67,578
Utility margin ¹	186,903	36,021	-	222,924
Operating and maintenance	41,368	13,472	-	54,840
Administrative and general	21,635	8,321	(1)	29,955
Property and other taxes	31,022	9,104	3	40,129
Depreciation & depletion	43,319	9,061	-	52,380
Operating income (loss)	49,559	(3,937)	(2)	45,620
Interest expense	(21,724)	(4,490)	(2,197)	(28,411)
Other income (expense)	2,954	1,144	(36)	4,062
Income tax (expense) benefit	(3,515)	(373)	1,741	(2,147)
Net income (loss)	\$ 27,274	\$ (7,656)	\$ (494)	\$ 19,124

* Direct Transmission expense excludes depreciation and depletion

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Appendix

Electric Segment (Q2)

Three Months Ended June 30,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 86,028	\$ 83,840	\$ 2,188	2.6 %	582	568	327,655	321,820
South Dakota	15,392	15,686	(294)	(1.9) %	117	135	51,340	51,162
Residential	101,420	99,526	1,894	1.9 %	699	703	378,995	372,982
Montana	99,655	101,919	(2,264)	(2.2) %	756	759	75,602	74,234
South Dakota	26,356	25,134	1,222	4.9 %	259	266	13,083	12,985
Commercial	126,011	127,053	(1,042)	(0.8) %	1,015	1,025	88,685	87,219
Industrial	11,282	10,722	560	5.2 %	739	644	80	78
Other	8,550	8,732	(182)	(2.1) %	36	33	6,460	6,388
Total Retail Electric	247,263	246,033	1,230	0.5 %	2,489	2,405	474,220	466,667
Regulatory amortization	(10,904)	(36,254)	25,350	(69.9) %				
Transmission	22,436	18,352	4,084	22.3 %				
Wholesale and other	1,339	1,135	204	18.0 %				
Total Revenues	260,134	229,266	30,868	13.5 %				
Total fuel, purchased supply & direct transmission expense*	60,887	42,363	18,524	43.7 %				
Utility Margin¹	199,247	186,903	12,344	6.6 %				

* Direct transmission expense is exclusive of depreciation and depletion expense

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Natural Gas Segment (Q2)

Three Months Ended June 30,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 18,921	\$ 17,589	\$ 1,332	7.6 %	2,224	1,864	185,449	183,669
South Dakota	5,894	8,375	(2,481)	(29.6) %	568	703	42,440	41,914
Nebraska	3,798	7,457	(3,659)	(49.1) %	438	508	37,889	37,711
Residential	28,613	33,421	(4,808)	(14.4) %	3,230	3,075	265,778	263,294
Montana	10,743	9,918	825	8.3 %	1,301	1,147	26,160	25,714
South Dakota	3,754	5,505	(1,751)	(31.8) %	600	675	7,354	7,217
Nebraska	1,969	4,665	(2,696)	(57.8) %	333	387	5,044	5,004
Commercial	16,466	20,088	(3,622)	(18.0) %	2,234	2,209	38,558	37,935
Industrial	169	160	9	5.6 %	23	19	237	232
Other	292	326	(34)	(10.4) %	44	43	196	188
Total Retail Electric	\$ 45,540	\$ 53,995	\$ (8,455)	(15.7) %	5,531	5,346	304,769	301,649
Regulatory amortization	3,735	(3,369)	7,104	210.9 %				
Wholesale and other	10,520	10,610	(90)	(0.8) %				
Total Revenues	\$ 59,795	\$ 61,236	\$ (1,441)	(2.4) %				
Total fuel, purchased supply & direct transmission expense*	\$ 15,593	\$ 25,215	\$ (9,622)	(38.2) %				
Utility Margin¹	\$ 44,202	\$ 36,021	\$ 8,181	22.7 %				

* Direct transmission expense is exclusive of depreciation and depletion expense

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.



2024 Year-to-Date Appendix

Year-to-Date 2024 Non-GAAP Earnings

Six Months Ended June 30,														
GAAP	Non-GAAP Adjustments					Non GAAP	Non-GAAP Variance		Non-GAAP Adjustments					GAAP
	Six Months Ended June 30, 2024	Unfavorable Weather (Addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Deferred Compensation	Impairment of Alternative Energy Storage Investment				Community Renewable Energy Project Penalty (not tax deductible)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Add Back Reduction Related to Previously Claimed AMT Credit	Deferred Compensation	
							\$	%						
Revenues	\$795.3	1.9	-	-	-	\$797.2	\$53.9	7.3%	\$743.3	-	-	-	(1.8)	\$745.1
Fuel, supply & dir. tx	251.2	-	-	-	-	251.2	18.1	7.8%	233.1	-	-	-	-	233.1
Utility Margin (2)	544.1	1.9	-	-	-	546.0	35.8	7.0%	510.2	-	-	-	(1.8)	512.0
Op. Expenses														
OG&A Expense	183.3	-	(0.6)	0.1	(2.2)	180.6	5.9	3.4%	174.7	-	0.1	(0.8)	-	175.4
Prop. & other taxes	83.4	-	-	-	-	83.4	(5.9)	-6.6%	89.3	-	-	-	-	89.3
Depreciation	113.7	-	-	-	-	113.7	8.1	7.7%	105.6	-	-	-	-	105.6
Total Op. Exp.	380.3	-	(0.6)	0.1	(2.2)	377.6	8.0	2.2%	369.6	-	0.1	(0.8)	-	370.3
Op. Income	163.7	1.9	0.6	(0.1)	2.2	168.3	27.7	19.7%	140.6	-	(0.1)	0.8	(1.8)	141.7
Interest expense	(62.9)	-	-	-	-	(62.9)	(6.5)	-11.5%	(56.4)	-	-	-	-	(56.4)
Other (Exp.) Inc., net	10.5	-	(0.6)	0.1	2.5	(2.3)	2.1	25.9%	8.1	-	0.1	(0.8)	-	8.8
Pretax Income	111.3	1.9	-	-	4.7	(2.3)	23.3	25.2%	92.3	-	-	-	(1.8)	94.1
Income tax	(14.6)	(0.5)	-	-	(1.2)	-	(7.4)	-84.1%	(8.8)	3.2	-	-	0.5	(12.4)
Net Income	\$96.7	1.4	-	-	3.5	(2.3)	\$15.8	18.9%	\$83.5	3.2	-	-	(1.4)	\$81.7
ETR	13.1%	25.3%	-	-	25.3%	0.0%			9.5%	-	-	-	25.3%	13.2%
Diluted Shares	61.3	-	-	-	-	61.3	1.5	2.5%	59.8	-	-	-	-	59.8
Diluted EPS	\$1.58	0.02	-	-	0.06	(0.04)	\$0.22	15.7%	\$1.40	0.05	-	-	(0.02)	\$1.37

For the six months ended June 30, we estimate weather to be a \$1.9 million pre-tax detriment as compared to normal and a \$3.7 million detriment as compared to 2023.

The adjusted non-GAAP measures presented in the table reflect significant items that are non-recurring or a variance from normal weather, however they should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

(1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).

(2) Utility Margin is a non-GAAP Measure. See the slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Appendix

Year-to-Date Financial Results

(in millions except per share amounts)

	Six Months Ended June 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$ 795.3	\$ 745.1	\$ 50.2	6.7%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	251.2	233.1	18.1	7.8%
Utility Margin¹	544.1	512.0	32.1	6.3%
Operating Expenses				
Operating and maintenance	111.5	110.7	0.8	0.7%
Administrative and general	71.7	64.7	7.0	10.8%
Property and other taxes	83.4	89.3	(5.9)	(6.6%)
Depreciation and depletion	113.7	105.6	8.1	7.7%
Total Operating Expenses	380.3	370.3	10.0	2.7%
Operating Income	163.7	141.7	22.0	15.5%
Interest expense	(62.9)	(56.4)	(6.5)	(11.5%)
Other income, net	10.5	8.8	1.7	19.3%
Income Before Taxes	111.3	94.0	17.2	18.3%
Income tax (expense) benefit	(14.6)	(12.4)	(2.2)	17.7%
Net Income	\$ 96.7	\$ 81.7	\$ 15.0	18.4%
Effective Tax Rate	13.1%	13.2%	(0.1%)	
Diluted Average Shares Outstanding	61.3	59.8	1.5	2.5%
Diluted Earnings Per Share	\$1.58	\$1.37	\$0.21	15.4%
Dividends Paid per Common Share	\$1.30	\$1.28	\$ 0.02	1.6%

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Utility Margin (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Electric	\$ 427.1	\$ 404.1	\$ 23.0	5.7%
Natural Gas	117.0	107.9	9.1	8.4%
Total Utility Margin	\$ 544.1	\$ 512.0	\$ 32.1	6.3%

Increase in utility margin due to the following factors:

\$ 36.2	Base rates
7.6	Transmission revenue due to market conditions
3.4	Montana property tax tracker collections
1.0	Montana natural gas transportation
(4.4)	Non-recoverable Montana electric supply costs
(4.2)	QF liability adjustment
(2.6)	Electric retail volumes
(2.4)	Natural gas retail volumes
3.6	Other
\$ 38.2	Change in Utility Margin <u>Impacting</u> Net Income
\$ (6.2)	Property & other taxes recovered in revenue, offset in property & other taxes
(1.3)	Revenue from higher production tax credits, offset in income tax expense
1.4	Operating expenses recovered in revenue, offset in operating & maintenance expense
\$ (6.1)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 32.1	Increase in Utility Margin

Operating Expenses (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Operating & maintenance	\$ 111.5	\$ 110.7	\$ 0.8	0.7%
Administrative & general	71.7	64.7	7.0	10.8%
Property and other taxes	83.4	89.3	(5.9)	(6.6)%
Depreciation and depletion	113.7	105.6	8.1	7.7%
Operating Expenses	\$ 380.3	\$ 370.3	\$ 10.0	2.7%

Increase in operating expenses due to the following factors:

\$ 8.1	Depreciation expense due to plant additions
3.4	Labor and benefits ⁽¹⁾
2.4	Litigation outcome (Pacific Northwest Solar)
2.2	Non-cash impairment of alternative energy storage investment
1.0	Insurance expense
0.6	Technology implementation and maintenance expenses
0.3	Property and other taxes not recoverable within trackers
(1.0)	Uncollectible accounts
(0.6)	Electric generation maintenance
(1.5)	Other
\$ 14.9	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (6.2)	Property and other taxes recovered in trackers, offset in revenue
(0.2)	Pension and other postretirement benefits, offset in other income ⁽¹⁾
1.4	Operating and maintenance expenses recovered in trackers, offset in revenue
0.1	Deferred compensation, offset in other income
\$ (4.9)	Change in Operating Expense Items <u>Offset Within</u> Net Income
\$ 10.0	Increase in Operating Expenses

(1) In order to present the total change in labor and benefits, we have included the change in the non-service cost component of our pension and other postretirement benefits, which is recorded within other income on our Condensed Consolidated Statements of Income. This change is offset within this table as it does not affect our operating expenses.

Operating to Net Income (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Operating Income	\$ 163.7	\$ 141.7	\$ 22.0	15.5%
Interest expense	(62.9)	(56.4)	(6.5)	(11.5)%
Other income, net	10.5	8.8	1.7	19.3%
Income Before Taxes	111.3	94.0	17.2	18.3%
Income tax expense	(14.6)	(12.4)	(2.2)	17.7%
Net Income	\$ 96.7	\$ 81.7	\$ 15.0	18.4%

\$6.5 million increase in interest expenses was primarily due to higher borrowings and interest rates partly offset by lower interest on our revolving credit facilities and higher capitalization of AFUDC.

\$1.7 million increase in other income, net was primarily due a \$2.3 million reversal of a previously expensed Community Renewable Energy Project penalty due to a favorable legal ruling and higher capitalization of AFUDC, partly offset by a \$2.5 million non-cash impairment of an alternative energy storage equity investment and an increase in the non-service component of pension expense.

\$2.2 million increase in income tax expense was primarily due to higher pre-tax income and plant and depreciation flow-through items.

Tax Reconciliation (YTD)

	Six Months Ended June 30,				Variance
	2024		2023		
Income Before Income Taxes	\$111.3		\$94.0		\$17.3
Income tax calculated at federal statutory rate	23.4	21.0%	19.7	21.0%	3.7
<u>Permanent or flow through adjustments:</u>					
State income taxes, net of federal provisions	0.7	0.6%	1.2	1.3%	(0.5)
Flow-through repairs deductions	(9.2)	(8.3%)	(7.6)	(8.0%)	(1.6)
Production tax credits	(5.0)	(4.5%)	(4.3)	(4.6%)	(0.7)
Amortization of excess deferred income tax	(0.6)	(0.5%)	(1.0)	(1.1%)	0.4
Reduction to previously claimed alternative minimum tax credit	-	-	3.2	3.4%	(3.2)
Plant and depreciation flow-through items	4.1	3.7%	0.9	0.9%	3.2
Share-based compensation	0.3	0.3%	0.4	0.4%	(0.1)
Other, net	0.9	0.8%	(0.1)	(0.1%)	1.0
Sub-total	(8.8)	(7.9%)	(7.3)	(7.8%)	(1.5)
Income Tax Expense	\$ 14.6		\$ 12.4		\$ 2.2

Appendix

Segment Results (YTD)

(in thousands)

Six Months Ended June 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 603,320	\$ 191,951	\$ -	\$ 795,271
Fuel, purchased supply & direct transmission*	176,228	74,973	-	251,201
Utility margin ¹	427,092	116,978	-	544,070
Operating and maintenance	83,766	27,783	-	111,549
Administrative and general	51,213	17,867	2,646	71,726
Property and other taxes	64,306	19,120	1	83,427
Depreciation & depletion	94,850	18,826	-	113,676
Operating income (loss)	132,957	33,382	(2,647)	163,692
Interest expense	(47,955)	(13,396)	(1,503)	(62,854)
Other income (expense)	9,492	1,981	(994)	10,479
Income tax expense	(11,174)	(2,869)	(534)	(14,577)
Net income (loss)	\$ 83,320	\$ 19,098	\$ (5,678)	\$ 96,740

Six Months Ended June 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 524,574	\$ 220,470	\$ -	\$ 745,044
Fuel, purchased supply & direct transmission*	120,497	112,573	-	233,070
Utility margin ¹	404,077	107,897	-	511,974
Operating and maintenance	83,781	26,920	-	110,701
Administrative and general	46,603	18,087	13	64,703
Property and other taxes	69,273	20,002	5	89,280
Depreciation & depletion	87,217	18,411	-	105,628
Operating Income (loss)	117,203	24,477	(18)	141,662
Interest expense	(40,284)	(7,741)	(8,394)	(56,419)
Other income (expense)	6,320	2,559	(80)	8,799
Income tax expense	(10,143)	(139)	(2,106)	(12,388)
Net income (loss)	\$ 73,096	\$ 19,156	\$ (10,598)	\$ 81,654

* Direct Transmission expense excludes depreciation and depletion

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Electric Segment (YTD)

	Six Months Ended June 30,							
	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 203,391	\$ 209,302	\$ (5,911)	(2.8) %	1,429	1,439	326,986	321,278
South Dakota	34,702	35,457	(755)	(2.1) %	290	330	51,396	51,218
Residential	238,093	244,759	(6,666)	(2.7) %	1,719	1,769	378,382	372,496
Montana	201,158	214,532	(13,374)	(6.2) %	1,580	1,610	75,639	74,249
South Dakota	54,128	50,262	3,866	7.7 %	546	545	13,047	12,964
Commercial	255,286	264,794	(9,508)	(3.6) %	2,126	2,155	88,686	87,213
Industrial	22,951	22,563	388	1.7 %	1,464	1,270	80	79
Other	13,366	13,986	(620)	(4.4) %	49	48	5,689	5,623
Total Retail Electric	529,696	546,102	(16,406)	(3.0) %	5,358	5,242	472,837	465,411
Regulatory amortization	25,442	(61,551)	86,993	(141.3) %				
Transmission	44,824	37,245	7,579	20.3 %				
Wholesale and other	3,358	2,778	580	20.9 %				
Total Revenues	603,320	524,574	78,746	15.0 %				
Total fuel, purchased supply & direct transmission expense*	176,228	120,497	55,731	46.3 %				
Utility Margin¹	\$ 427,092	\$ 404,077	\$ 23,015	5.7 %				

* Direct transmission expense is exclusive of depreciation and depletion expense

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Natural Gas Segment (YTD)

	Six Months Ended June 30,							
	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 67,511	\$ 84,471	\$ (16,960)	(20.1) %	8,482	8,381	185,332	183,583
South Dakota	19,499	28,310	(8,811)	(31.1) %	2,005	2,455	42,521	42,032
Nebraska	14,315	27,970	(13,655)	(48.8) %	1,669	1,915	37,970	37,838
Residential	101,325	140,751	(39,426)	(28.0) %	12,156	12,751	265,823	263,453
Montana	35,826	46,257	(10,431)	(22.6) %	4,698	4,834	26,121	25,690
South Dakota	13,021	19,791	(6,770)	(34.2) %	1,914	2,177	7,362	7,235
Nebraska	8,188	17,828	(9,640)	(54.1) %	1,192	1,386	5,063	5,040
Commercial	57,035	83,876	(26,841)	(32.0) %	7,804	8,397	38,546	37,965
Industrial	588	889	(301)	(33.9) %	83	94	237	232
Other	868	1,122	(254)	(22.6) %	133	136	196	188
Total Retail Electric	\$ 159,816	\$ 226,638	\$ (66,822)	(29.5) %	20,176	21,378	304,802	301,838
Regulatory amortization	10,661	(28,770)	39,431	(137.1) %				
Wholesale and other	21,474	22,602	(1,128)	(5.0) %				
Total Revenues	\$ 191,951	\$ 220,470	\$ (28,519)	(12.9) %				
Total fuel, purchased supply & direct transmission expense*	\$ 74,973	\$ 112,573	\$ (37,600)	(33.4) %				
Utility Margin¹	\$ 116,978	\$ 107,897	\$ 9,081	8.4 %				

* Direct transmission expense is exclusive of depreciation and depletion expense

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

PCCAM Impact by Quarter

Pretax millions – shareholder (detriment) benefit

	Q1	Q2	Q3	Q4	Full Year
'17/'18 Tracker	First full year recorded in Q3				\$3.3
'18/'19 Tracker			(\$5.1)	\$0.3	(4.8)
2018 (Expense) Benefit	\$0.0	\$0.0	(\$1.8)	\$0.3	(\$1.5)
					Full Year
'18/'19 Tracker	(\$1.6)	\$4.6			\$3.0
'19/'20 Tracker			\$0.1	(\$0.7)	(0.6)
2019 (Expense) Benefit	(\$1.6)	\$4.6	\$0.1	(\$0.7)	\$2.4
					Full Year
CU4 Disallowance ('18/'19 Tracker)				(\$9.4)	(\$9.4)
'19/'20 Tracker	(\$0.1)	\$0.2			\$0.1
Recovery of modeling costs	\$0.7				\$0.7
'20/'21 Tracker			(\$0.6)	(\$0.3)	(\$0.9)
2020 (Expense) Benefit	\$0.6	\$0.2	(\$0.6)	(\$0.3)	(\$0.1)
					Full Year
'20/'21 Tracker	(\$0.8)	(\$0.5)			(\$1.3)
'21/'22 Tracker			(\$2.7)	(\$1.4)	(\$4.1)
2021 (Expense) Benefit	(\$0.8)	(\$0.5)	(\$2.7)	(\$1.4)	(\$5.4)
	Q1	Q2	Q3	Q4	Full Year
'21/'22 Tracker	(\$0.8)	(\$0.8)			(\$1.6)
'22/'23 Tracker			(\$3.9)	(\$1.7)	(\$5.6)
2022 (Expense) Benefit	(\$0.8)	(\$0.8)	(\$3.9)	(\$1.7)	(\$7.2)
	Q1	Q2	Q3	Q4	Year-to-Date
'22/'23 Tracker	\$0.5	\$2.1			\$2.6
Retro-active application of PCCAM base				\$3.2	\$3.2
'23/'24 Tracker			\$0.1	\$1.1	\$1.2
2023 (Expense) Benefit	\$0.5	\$2.1	\$0.1	\$4.3	\$7.0
	Q1	Q2	Q3	Q4	Year-to-Date
'23/'24 Tracker	(\$3.0)	\$1.2			(\$1.8)
'24/'25 Tracker					\$0.0
2024 (Expense) Benefit	(\$3.0)	\$1.2	\$0.0	\$0.0	(\$1.8)
Year-over-Year Variance	(\$3.5)	(\$0.9)			(\$4.4)

Qualified Facility Earnings Adjustment

(Millions)	Annual actual contract price escalation	Annual adjustment for actual output and pricing	Adjustment associated with the one-time clarification in contract term	Total
Nov-12	(Arbitration) \$47.9 Non-GAAP Adj.	\$0.0	\$0.0	\$47.9
Jun-13	\$0.0	1.0	0.0	\$1.0
Jun-14	\$0.0	0.0	0.0	\$0.0
Jun-15	(\$6.1) Non-GAAP Adj.	1.8	0.0	(\$4.3)
Jun-16	\$0.0	1.8	0.0	\$1.8
Jun-17	\$0.0	2.1	0.0	\$2.1
Jun-18	\$17.5 Non-GAAP Adj.	9.7	0.0	\$27.2
Jun-19	\$3.3	3.1	0.0	\$6.4
Jun-20	\$2.2	0.9	0.0	\$3.1
Jun-21	(\$2.1)	2.6	8.7 Non-GAAP Adj.	\$9.2
Sep-21	\$0.0	0.0	(1.3) Non-GAAP Adj.	(\$1.3)
Dec-21	\$0.0	0.0	(0.4) Non-GAAP Adj.	(\$0.4)
Jun-22	\$3.3	1.8	0.0	\$5.1
Jun-23	\$4.2	0.8	0.0 Non-GAAP Adj.	\$5.0
Jun-24	\$0.0	0.8	0.0	\$0.8
Year-over-Year Better (Worse)				
2013	(\$47.9)	1.0	0.0	(\$46.9)
2014	\$0.0	(1.0)	0.0	(\$1.0)
2015	(\$6.1)	1.8	0.0	(\$4.3)
2016	\$6.1	0.0	0.0	\$6.1
2017	\$0.0	0.3	0.0	\$0.3
2018	\$17.5	7.6	0.0	\$25.1
2019	(\$14.2)	(6.6)	0.0	(\$20.8)
2020	(\$1.1)	(2.2)	0.0	(\$3.3)
2021	(\$4.3)	\$1.7	\$7.0	\$4.4
2022	\$5.4	(\$0.8)	(\$7.0)	(\$2.4)
2023	\$0.9	(\$1.0)	\$0.0	(\$0.1)
2024	(\$4.2)	\$0.0	\$0.0	(\$4.2)

Our electric QF liability consists of unrecoverable costs associated with contracts covered under PURPA that are part of a 2002 stipulation with the MPSC and other parties. Risks / losses associated with these contracts are born by shareholders, not customers. Therefore, any mitigation of prior losses and / or benefits of liability reduction also accrue to shareholders.

Appendix

Balance Sheet

(dollars in millions)

	As of June 30, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 6.4	\$ 9.2
Restricted cash	24.6	\$ 16.0
Accounts receivable, net	149.5	\$ 212.3
Inventories	115.0	\$ 114.5
Other current assets	68.6	\$ 55.0
Goodwill	357.6	\$ 357.6
PP&E and other non-current assets	6,992.2	\$ 6,836.1
Total Assets	\$ 7,713.8	\$ 7,600.7
Payables	91.3	124.3
Other current liabilities	280.2	307.3
Total debt & capital leases	2,901.7	2,793.4
Other non-current liabilities	1,633.5	1,590.3
Shareholders' equity	2,807.3	2,785.3
Total Liabilities and Equity	\$ 7,713.8	\$ 7,600.7
Capitalization:		
Total Debt & Capital Leases	2,901.7	2,793.4
Less: Basin Creek Capital Lease	(7.2)	(8.8)
Shareholders' Equity	2,807.3	2,785.3
Total Capitalization	\$ 5,701.7	\$ 5,569.9
Ratio of Debt to Total Capitalization	50.8%	50.0%

**Debt to Total
Capitalization up
from last quarter and
inside our targeted
50% - 55% range.**

Year-to-Date Cash Flow

(dollars in millions)	Six Months Ended June 30,	
	2024	2023
Operating Activities		
Net Income	\$ 96.7	\$ 81.7
Non-Cash adjustments to net income	128.1	95.3
Changes in working capital	1.0	124.3
Other noncurrent assets & liabilities	(1.9)	(7.2)
Cash Provided by Operating Activities	223.9	294.1
Cash Used in Investing Activities	(248.3)	(265.8)
Cash Provided by (Used In) Financing Activities	30.2	(26.8)
<hr/>		
Cash Provided by Operating Activities	\$ 223.9	\$ 294.1
Less: Changes in working capital	1.0	124.3
Funds from Operations	\$ 222.9	\$ 169.8
<hr/>		
PP&E additions	247.4	263.4
Capital expenditures included in trade accounts payable	(15.2)	(43.8)
AFUDC Credit	9.4	7.8
Total Capital Investment	\$ 241.6	\$ 227.4

Cash from Operating Activities decreased by \$70.2 million due primarily to significant net cash inflows from recovery of previously under-collected energy supply cost in the prior period, and net cash outflows in 2024 from our January 2024 cold weather event.

Funds from Operations increased by \$53.1 million over prior period.

Net Under-Collected Supply Costs

(in millions)

	Beginning (Jan. 1)	Ending (June 30)	(Outflow) / Inflow
2023	\$115.4	\$30.0	\$85.4
2024	\$7.8	\$14.9	\$(7.1)
2024 Cash Outflow			\$(92.5)

No Planned Equity Issuances in 2024

Financing plans (targeting a FFO to Debt ratio > 14%) are expected to maintain our current credit ratings and are subject to change.

Debt financing in 2024

- Issued \$175 million, 5.56% coupon, 7 year Montana FMBs in Q1
- Issued \$33 million, 5.55% coupon, 5 year South Dakota FMBs in Q1
- Issued \$7 million, 5.75% coupon, 10 year, South Dakota FMBs in Q1
- Entered \$100 million term loan in Q2 with variable rate of Secured Overnight Financing Rate plus an applicable margin.

Reconciling Gross Margin to Utility Margin

Reconciliation of Gross Margin to Utility Margin for the Three Months Ended June 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 260.1	\$ 229.3	\$ 59.8	\$ 61.2	\$ 319.9	\$ 290.5
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown)	60.9	42.4	15.6	25.2	76.5	67.6
Less: Operating & maintenance expense	43.5	41.4	13.9	13.5	57.4	54.9
Less: Property and other tax expense	28.0	31.0	8.2	9.1	36.2	40.1
Less: Depreciation and depletion expense	47.6	43.3	9.4	9.1	57.0	52.4
Gross Margin	80.1	71.2	12.7	4.3	92.8	75.5
Plus: Operating & maintenance expense	43.5	41.4	13.9	13.5	57.4	54.9
Plus: Property and other tax expense	28.0	31.0	8.2	9.1	36.2	40.1
Plus: Depreciation and depletion	47.6	43.3	9.4	9.1	57.0	52.4
Utility Margin ⁽¹⁾	\$ 199.2	\$ 186.9	\$ 44.2	\$ 36.0	\$ 243.4	\$ 222.9

Reconciliation of Gross Margin to Utility Margin for the Six Months Ended June 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 603.3	\$ 524.6	\$ 192.0	\$ 220.5	\$ 795.3	\$ 745.1
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown)	176.2	120.5	75.0	112.6	251.2	233.1
Less: Operating & maintenance expense	83.8	83.8	27.8	26.9	111.6	110.7
Less: Property and other tax expense	64.3	69.3	19.1	20.0	83.4	89.3
Less: Depreciation and depletion expense	94.9	87.2	18.8	18.4	113.7	105.6
Gross Margin	184.1	163.8	51.3	42.6	235.4	206.4
Plus: Operating & maintenance expense	83.8	83.8	27.8	26.9	111.6	110.7
Plus: Property and other tax expense	64.3	69.3	19.1	20.0	83.4	89.3
Plus: Depreciation and depletion	94.9	87.2	18.8	18.4	113.7	105.6
Utility Margin ⁽¹⁾	\$ 427.1	\$ 404.1	\$ 117.0	\$ 107.9	\$ 544.1	\$ 512.0

Management believes that Utility Margin provides a useful measure for investors and other financial statement users to analyze our financial performance in that it excludes the effect on total revenues caused by volatility in energy costs and associated regulatory mechanisms. This information is intended to enhance an investor's overall understanding of results. Under our various state regulatory mechanisms, as detailed below, our supply costs are generally collected from customers. In addition, Utility Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs, as well as to analyze how changes in loads (due to weather, economic or other conditions), rates and other factors impact our results of operations. Our Utility Margin measure may not be comparable to that of other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

(1) Utility Margin is a non-GAAP Measure.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures - Reconcile to Non-GAAP diluted EPS

Pre-Tax Adjustments (\$ Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Reported GAAP Pre-Tax Income	\$ 110.4	\$ 181.2	\$ 156.5	\$ 176.1	\$ 178.3	\$ 182.2	\$ 144.2	\$ 190.2	\$ 182.4	\$ 201.6
Non-GAAP Adjustments to Pre-Tax Income:										
Weather	(1.3)	13.2	15.2	(3.4)	(1.3)	(7.3)	9.8	1.1	(8.9)	4.3
Lost revenue recovery related to prior periods	-	-	(14.2)	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	15.4	-	-	-	-	-	-	-	-	-
Exclude unplanned hydro earnings	(8.7)	-	-	-	-	-	-	-	-	-
Remove benefit of insurance settlement	-	(20.8)	-	-	-	-	-	-	-	-
QF liability adjustment	-	6.1	-	-	(17.5)	-	-	(6.9)	-	-
Electric tracker disallowance of prior period costs	-	-	12.2	-	-	-	9.9	-	-	-
Income tax adjustment	-	-	-	-	9.4	-	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	-	2.5	-
Unplanned Equity Dilution from Hydro transaction	-	-	-	-	-	-	-	-	-	-
Adjusted Non-GAAP Pre-Tax Income	\$ 115.8	\$ 179.7	\$ 169.7	\$ 172.7	\$ 168.9	\$ 174.9	\$ 163.9	\$ 184.4	\$ 176.0	\$ 205.9
Tax Adjustments to Non-GAAP Items (\$ Million)										
GAAP Net Income	\$ 120.7	\$ 151.2	\$ 164.2	\$ 162.7	\$ 197.0	\$ 202.1	\$ 155.2	\$ 186.8	\$ 183.0	\$ 194.1
Non-GAAP Adjustments Taxed at 38.5% ('12-'17) and 25.3% ('18-current):										
Weather	(0.8)	8.1	9.3	(2.1)	(1.0)	(5.5)	7.3	0.8	(6.6)	3.2
Lost revenue recovery related to prior periods	-	-	(8.7)	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	9.5	-	-	-	-	-	-	-	-	-
Exclude unplanned hydro earnings	(5.4)	-	-	-	-	-	-	-	-	-
Remove benefit of insurance settlement	-	(12.8)	-	-	-	-	-	-	-	-
QF liability adjustment	-	3.8	-	-	(13.1)	-	-	(5.2)	-	-
Electric tracker disallowance of prior period costs	-	-	7.5	-	-	-	7.4	-	-	-
Income tax adjustment	(18.5)	-	(12.5)	-	(12.8)	(22.8)	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	-	2.5	-
Unplanned Equity Dilution from Hydro transaction	-	-	-	-	-	-	-	-	-	-
Previously claimed AMT Credit	-	-	-	-	-	-	-	-	-	3.2
Natural Gas Safe Harbor UTP Benefit	-	-	-	-	-	-	-	-	-	(3.2)
Non-GAAP Net Income	\$ 105.5	\$ 150.3	\$ 159.8	\$ 160.6	\$ 170.1	\$ 173.8	\$ 169.9	\$ 182.4	\$ 178.9	\$ 197.3
Non-GAAP Diluted Earnings Per Share										
<i>Diluted Average Shares (Millions)</i>	40.4	47.6	48.5	48.7	50.2	50.8	50.7	51.9	56.3	60.4
Reported GAAP Diluted earnings per share	\$ 2.99	\$ 3.17	\$ 3.39	\$ 3.34	\$ 3.92	\$ 3.98	\$ 3.06	\$ 3.60	\$ 3.25	\$ 3.22
Non-GAAP Adjustments:										
Weather	(0.02)	0.17	0.19	(0.04)	(0.02)	(0.11)	0.14	0.01	(0.11)	0.05
Lost revenue recovery related to prior periods	-	-	(0.18)	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	0.24	-	-	-	-	-	-	-	-	-
Exclude unplanned hydro earnings	(0.14)	-	-	-	-	-	-	-	-	-
Remove benefit of insurance settlements & recoveries	-	(0.27)	-	-	-	-	-	-	-	-
QF liability adjustment	-	0.08	-	-	(0.26)	-	-	(0.10)	-	-
Electric tracker disallowance of prior period costs	-	-	0.16	-	-	-	0.15	-	-	-
Income tax adjustment	(0.47)	-	(0.26)	-	(0.25)	(0.45)	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	-	0.04	-
Unplanned Equity Dilution from Hydro transaction	0.08	-	-	-	-	-	-	-	-	-
Previously claimed AMT Credit	-	-	-	-	-	-	-	-	-	0.05
Natural Gas Safe Harbor UTP Benefit	-	-	-	-	-	-	-	-	-	(0.05)
Non-GAAP Diluted Earnings Per Share	\$ 2.68	\$ 3.15	\$ 3.30	\$ 3.30	\$ 3.39	\$ 3.42	\$ 3.35	\$ 3.51	\$ 3.18	\$ 3.27

Non-GAAP Financial Measures

This presentation includes financial information prepared in accordance with GAAP, as well as other financial measures, such as Utility Margin, Adjusted Non-GAAP pretax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS that are considered “non-GAAP financial measures.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

We define Utility Margin as Operating Revenues less fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion) as presented in our Consolidated Statements of Income. This measure differs from the GAAP definition of Gross Margin due to the exclusion of Operating and maintenance, Property and other taxes, and Depreciation and depletion expenses, which are presented separately in our Consolidated Statements of Income. A reconciliation of Utility Margin to Gross Margin, the most directly comparable GAAP measure, is included in this presentation.

Management believes that Utility Margin provides a useful measure for investors and other financial statement users to analyze our financial performance in that it excludes the effect on total revenues caused by volatility in energy costs and associated regulatory mechanisms. This information is intended to enhance an investor's overall understanding of results. Under our various state regulatory mechanisms, as detailed below, our supply costs are generally collected from customers. In addition, Utility Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs, as well as to analyze how changes in loads (due to weather, economic or other conditions), rates and other factors impact our results of operations. Our Utility Margin measure may not be comparable to that of other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

Management also believes the presentation of Adjusted Non-GAAP pre-tax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS is more representative of normal earnings than GAAP pre-tax income, net income and EPS due to the exclusion (or inclusion) of certain impacts that are not reflective of ongoing earnings. The presentation of these non-GAAP measures is intended to supplement investors' understanding of our financial performance and not to replace other GAAP measures as an indicator of actual operating performance. Our measures may not be comparable to other companies' similarly titled measures.



Delivering a bright future

NorthWestern[®]
Energy
Delivering a Bright Future